Public Accounts 2015-16

Volume 1

Summary Financial Statements

Government of Saskatchewan

2015-16 Public Accounts
Volume 1 - Summary Financial Statements

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Regina, Saskatchewan
July 2016

To Her Honour
The Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of Saskatchewan

Your Honour:

I have the honour to submit Volume 1 of the Public Accounts of the Government of Saskatchewan for the fiscal year ended March 31, 2016.

Respectfully submitted,

KEVIN DOHERTY
Minister of Finance

Regina, Saskatchewan
July 2016

The Honourable Kevin Doherty
Minister of Finance

I have the honour to present Volume 1 of the Public Accounts of the Government of Saskatchewan for the fiscal year ended March 31, 2016.

Respectfully submitted,

CLARE ISMAN
Deputy Minister of Finance

TERRY PATON
Provincial Comptroller

Introduction to the Public Accounts

The 2015-16 Public Accounts of the Government of Saskatchewan (the Government) are prepared in accordance with the *Financial Administration Act, 1993* and consist of two volumes. The Government is responsible for the integrity and objectivity of the information presented in these two volumes.

Volume 1

Financial Statement Discussion and Analysis provides users of the Government's Summary Financial Statements (SFS) with an overview of the Government's performance by presenting comparative financial highlights and variance analysis. The information in the financial statement discussion and analysis should be read in conjunction with the SFS.

Summary Financial Statements provide an accounting of the full nature and extent of the financial affairs and resources of the Government. This includes the financial results of the General Revenue Fund (GRF), Crown corporations, boards and other organizations controlled by the Government. A listing of all organizations controlled by the Government, collectively referred to as the government reporting entity, is provided in schedule 18 of the SFS.

Volume 2

Volume 2 contains the following unaudited financial information:

General Revenue Fund
- revenue and expense schedules and details;
- capital asset acquisitions schedule and details;

Revolving Funds
- expense details;

Supplier Summary
- listing of suppliers who received $50,000 or more for goods and services and capital assets supplied to the GRF and Revolving Funds during the fiscal year;

Other Information
- Growth and Financial Security Fund transfers and accumulated balance;
- Debt Retirement Fund accumulated balance;
- assets, liabilities and residual balances of pension plans and trust funds administered by the Government;
- remissions of taxes and fees; and
- road-use fuel tax accountability revenues and expenditures.

The Public Accounts are available on the Internet at http://www.finance.gov.sk.ca/public-accounts/.

A Compendium is also available on the Internet at http://www.finance.gov.sk.ca/public-accounts/ that contains the financial statements of various government agencies, boards, commissions, pension plans, special purpose funds and institutions, as well as Crown corporations which are accountable to Treasury Board. In addition, the financial statements of Crown corporations and wholly-owned subsidiaries that are accountable to the Crown Investments Corporation of Saskatchewan Board can be found, through links, on the Internet at http://www.cicorp.sk.ca/.

Financial Statement Discussion and Analysis

Financial Statement Discussion and Analysis

The Financial Statement Discussion and Analysis provides users of the Government's main financial statements with an overview of the Government's financial performance, as well as the Government's accountability for the resources entrusted to it. This information should be read in conjunction with the Summary Financial Statements (SFS). The Government is responsible for the integrity and objectivity of this discussion and analysis.

Financial Highlights

(millions of dollars)

	2016		2015	Change from	
	Adjusted Budget[1]	Actual[2]	Actual	Adjusted Budget	2015 Actual
Revenue	14,426	13,634	14,059	(792)	(425)
Expense	15,017	15,153	13,997	137	1,156
(Deficit) Surplus	(591)	(1,520)	62	(929)	(1,581)
Financial assets		9,066	9,370		(304)
Less: Pension liabilities		(7,922)	(7,077)		(845)
Public debt		(5,708)	(4,741)		(966)
Obligations under long-term financing arrangements		(430)	(37)		(393)
Other liabilities		(2,906)	(3,067)		161
Net debt	(7,046)	(7,899)	(5,552)	(853)	(2,347)
Plus: Non-financial assets		9,394	8,626		768
Accumulated Surplus	2,483	1,495	3,074	(989)	(1,580)

Totals may not add due to rounding.

[1] Amounts presented in the 2015-16 Saskatchewan Provincial Budget have been adjusted to a basis consistent with the presentation in the SFS including an $821 million decrease in the budgeted results to account for pension costs on the accrual basis and a $123 million increase in the budgeted results to represent 15 months of operations for certain government organizations.

[2] 2016 Actual includes 15 months of operations for certain government organizations, the year-end of which changed from December 31 to March 31 during the year.

Reporting Entity

The SFS include the financial activities of government service organizations (GSOs), government business enterprises (GBEs) and government partnerships. GBEs are self-sufficient government organizations that have the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as their principal activity. All other organizations, except government partnerships, are GSOs. A complete listing of the organizations included in the government reporting entity is provided in schedule 18 of the SFS.

Year-End Change for Certain Government Organizations

During the year, the year-end of certain government organizations was changed from December 31 to March 31 to align with the Government's fiscal year. Accordingly, the 2015-16 results include 15 months of operations for these organizations. The inclusion of an additional three months of operations for these organizations reduced the deficit by $61 million.

In order to provide a comparison to budget, the 2015-16 Saskatchewan Provincial Budget has been adjusted to represent 15 months of operations for these organizations.

All references made in the Financial Statement Discussion and Analysis to 2015-16, for both actual and budgeted results, represent 15 months of operations for certain government organizations.

Financial Highlights (*continued*)

Annual Deficit/Surplus

The 2015-16 SFS report a deficit of $1.52 billion, a $1.58 billion deterioration from the $62 million surplus reported in the previous year. The year-over-year decline is mainly attributable to an increase in pension expense, lower revenue from non-renewable resources and the continued growth in the cost of funding health care in the Province. This decline in operating results is partially offset by an improvement in net income from GBEs and higher taxation revenue.

Compared to the adjusted budget, the SFS deficit is $929 million higher than expected due almost entirely to lower-than-expected revenue from non-renewable resources and taxation.

Net Debt

The net debt reported in the SFS at March 31, 2016 is $7.90 billion, an increase of $2.35 billion over 2014-15 and $853 million over the adjusted budget. The year-over-year increase in net debt is primarily due to the deficit reported in the current year together with the net acquisition of capital assets resulting from the Government's continued investment in infrastructure.

The increase over the adjusted budget is primarily due to the deficit. This was partially offset by a lower-than-expected net acquisition of capital assets.

Accumulated Surplus

The Government has reported an accumulated surplus since 2008-09. At March 31, 2016, the accumulated surplus is $1.50 billion, $1.58 billion lower than the previous year and a $989 million reduction from the adjusted budget. These decreases were mainly the result of the deficit reported in the current year.

Pension Liability and Expense

The Government records its pension liability in the SFS using Canadian public sector accounting standards. The pension liability and expense fluctuates year to year as the value of the liability is updated for changes in interest rates and other actuarial assumptions (e.g., life expectancy, inflation). Small decreases in interest rates cause a significant increase to the pension liability; conversely small increases in rates cause a significant decrease to the liability. In the prior year, interest rates were at all-time lows and pension mortality studies showed increased life expectancy of plan members. These factors resulted in a significant increase in the pension liability that is being expensed over a short duration starting in 2015-16. The year-over-year increase to pension expense primarily due to these factors is $895 million.

In the 2015-16 Saskatchewan Provincial Budget, the surplus is presented before an adjustment to account for pension costs on an accrual basis. The SFS include all pension costs in its deficit/surplus and accordingly the budget figures have been adjusted to include, in expense, the adjustment for these pension costs.

Investment in Infrastructure

Investment in infrastructure continued to be a priority with the Government investing $3.07 billion (2015 - $2.89 billion) in government-owned capital during the year. This amount exceeded the Government's prior year investment in government-owned capital by $183 million and was $570 million lower than the adjusted budget. Of the Government's current year investment, $412 million (2015 - $48 million) is through public private partnerships (P3s). These P3s are partnership arrangements in the form of long-term performance-based agreements between the public sector and the private sector to deliver public infrastructure for citizens.

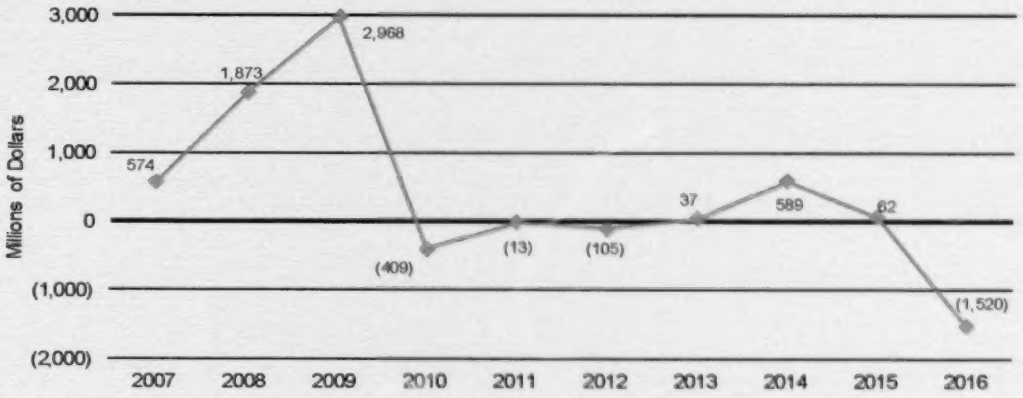
Credit Rating

The Province obtains a credit rating from the three major credit rating agencies: Moody's Investors Service Inc., Standard & Poor's and the Dominion Bond Rating Service. Overall, Saskatchewan's credit rating from the three major credit rating agencies ranks second highest among the Canadian provinces.

Annual Deficit/Surplus

The annual (deficit) surplus represents the amount by which (expense exceeds revenue) revenue exceeds expense for the fiscal period.

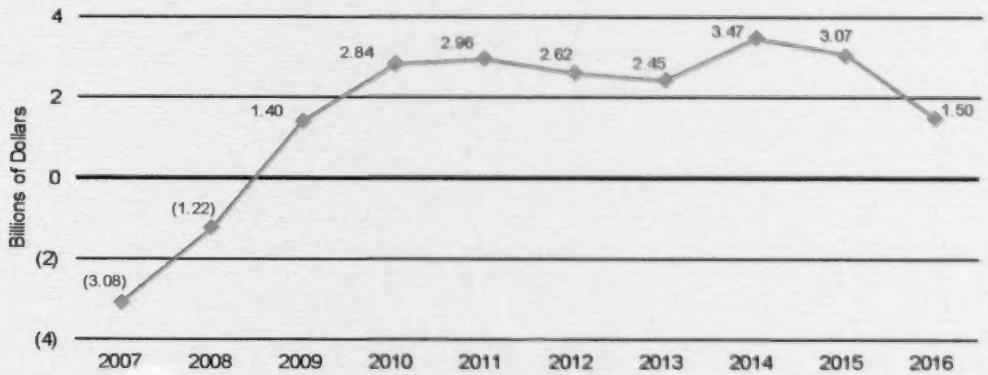
Annual (Deficit) Surplus - 10 Year Trend



Accumulated Surplus

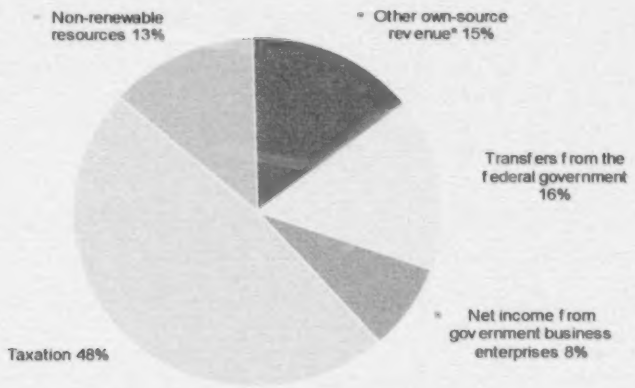
The accumulated surplus represents the Government's reported net economic resources. An accumulated surplus indicates that a government has net resources that can be used to provide future services.

Accumulated Surplus (Deficit) - 10 Year Trend



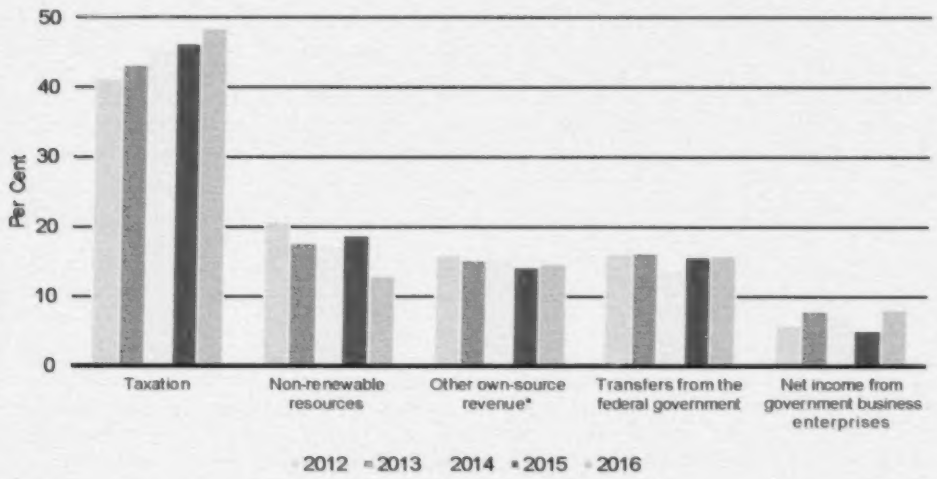
Revenue

2015-16 Revenue by Source ($13.63 billion)


Non-renewable resources 13%
Other own-source revenue* 15%
Transfers from the federal government 16%
Net income from government business enterprises 8%
Taxation 48%

* Key components of "other own-source revenue" include fees (8%), insurance (2%), investment income (1%) and transfers from other governments (1%).

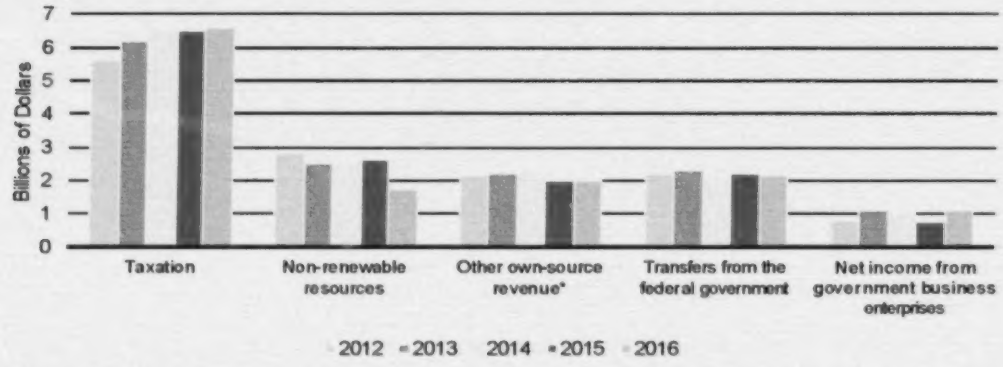
Revenue by Source as a Percentage of Total Revenue - 5 Year Comparison



* In 2015-16, key components of "other own-source revenue" include fees (8%), insurance (2%), investment income (1%) and transfers from other governments (1%).

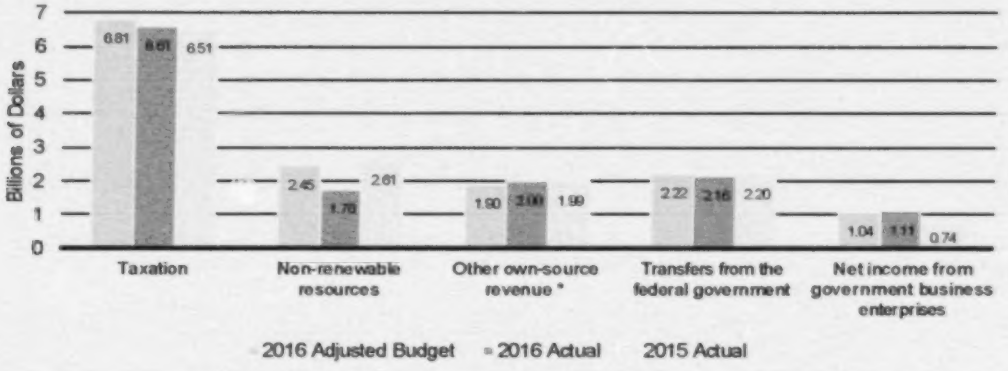
Revenue *(continued)*

Revenue by Source - 5 Year Comparison



* In 2015-16, key components of "other own-source revenue" include fees ($1.14 billion), insurance ($242 million), investment income ($101 million) and transfers from other governments ($98 million).

Revenue by Source - Current Year Comparison to Budget and Prior Year



* In 2015-16, key components of "other own-source revenue" reported in the Summary Statement of Operations include fees ($1.14 billion), insurance ($242 million), investment income ($101 million) and transfers from other governments ($98 million).

Total revenue was $13.63 billion in 2015-16, a year-over-year decrease of $425 million, or 3.0 per cent. This decrease was primarily the result of significantly lower non-renewable resources revenue together with a reduction in transfers from the federal government. These decreases were partially offset by increases in net income from government business enterprises and taxation revenue.

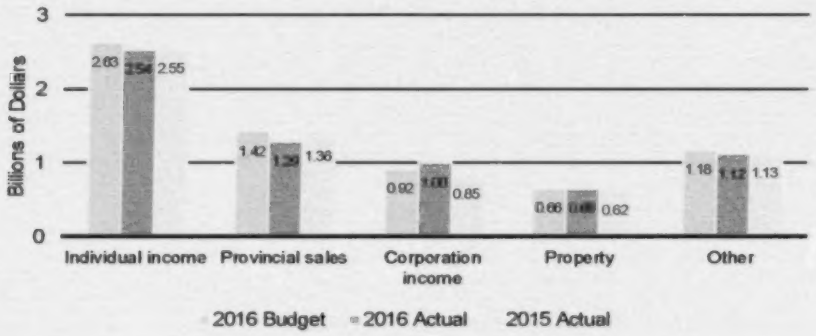
When compared to the adjusted budget, revenue decreased by $792 million, or 5.5 per cent. This decrease was a result of lower-than-expected revenue from non-renewable resources, taxation and transfers from the federal government, partially offset by higher-than-expected other own-source revenue and net income from GBEs.

Revenue *(continued)*

Taxation Revenue

Taxation revenue was $6.61 billion in 2015-16, an increase of $94 million, or 1.4 per cent, over 2014-15 but a $203 million, or 3.0 per cent, decrease when compared to budget. The $94 million increase over prior year was due to growth in all taxation revenue sources except for provincial sales tax, fuel tax and individual income tax. When compared to budget, most sources of taxation revenue were lower, with the $203 million decrease largely attributable to lower-than-expected provincial sales tax, individual income tax and fuel tax revenue which was partially offset by a sizable increase over budgeted corporation income tax revenue.

Taxation Revenue - Current Year Comparison to Budget and Prior Year



Individual income tax revenue was $2.54 billion in 2015-16, a decrease of $9 million, or 0.4 per cent, from 2014-15 and $88 million, or 3.4 per cent, from budget. The year-over-year decrease was primarily due to the impact of changes to tax incentives, particularly the Graduate Retention Program, as well as a decline in the prior years' reconciliation adjustment relative to 2014-15. These year-over-year decreases were partially offset by a slight growth in the tax base. The $88 million decrease from budget is primarily due to lower-than-expected tax assessments for the 2015 taxation year.

Provincial sales tax revenue was $1.29 billion in 2015-16, a decrease of $69 million, or 5.1 per cent, from the prior year and $132 million, or 9.3 per cent, from budget. These decreases were primarily related to weaker economic activity due to falling oil prices and lower oil-sector activity and their impact on the broader economy.

Corporation income tax revenue was $1.00 billion in 2015-16, a sizable increase over both the prior year and the budget. At $154 million, or 18.2 per cent, the year-over-year increase was largely due to a significant increase in the prior-years' reconciliation adjustment relative to 2014-15. This was partially offset by the negative impact of low resource prices on the profitability of corporations and the resulting corporate income tax revenues. An $85 million, or 9.2 per cent, increase over budget was primarily due to one-time revenue related to prior-year audits, partially offset by the impact of low resource prices on corporate income tax revenue.

Property tax revenue *at* $658 million was $33 million, or 5.3 per cent, higher than prior year with a nominal decrease of $6 million, or .9 per cent, from budget. The year-over-year increase was due to growth in the property tax base as a result of new construction in the Province.

Other tax (including fuel, tobacco and other miscellaneous tax) revenue totaled $1.12 billion for the year, a reduction of $15 million, or 1.3 per cent, from the previous year and $61 million, or 5.2 per cent, from budget. A year-over-year and budget-to-actual decrease in fuel tax revenue, reflecting weaker oil-sector activity, was only partially offset by growth in corporation capital tax, liquor consumption tax and insurance premiums tax.

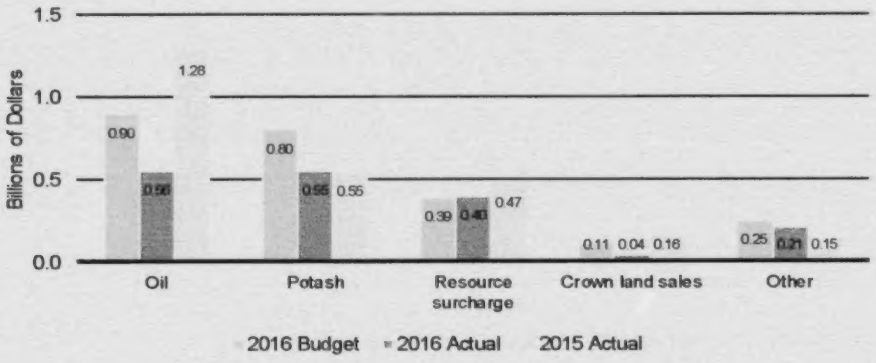
Revenue (*continued*)

Non-Renewable Resources Revenue

Non-renewable resources revenue is one of the Government's most volatile revenue sources because it is influenced by external factors, particularly commodity prices and changes in market demand and the exchange rate.

In 2015-16, non-renewable resources revenue was $1.76 billion, a decrease of $853 million, or 32.6 per cent, from 2014-15 and a decrease of $692 million, or 28.2 per cent, compared to budget. Lower oil revenue and crown land sales were the largest contributors to the decline from both the prior year and budget. In addition, potash revenue was significantly lower than budget.

Non-Renewable Resources Revenue - Current Year Comparison to Budget and Prior Year



Potash revenue was $552 million in 2015-16, a $6 million, or 1.1 per cent, increase over the previous year but a $244 million, or 30.6 per cent, decrease from budget. The decrease from budget was largely due to lower prices as the average mine netback (realized price) decreased from a budget assumption of 297 U.S. dollars per KCl tonne to 258 U.S. dollars per KCl tonne (from $612 at budget to $546 per K_2O tonne). In 2014-15, realized prices averaged 281 U.S. dollars per KCl tonne ($529 per K_2O tonne) but the year-over-year price decline was offset by lower capital spending deductions and higher potash profit taxes for the Government primarily resulting from changes to the potash production tax effective January 1, 2015.

Oil revenue was $555 million in 2015-16, a decline of $724 million, or 56.6 per cent, from 2014-15 and $348 million, or 38.5 per cent, from budget. These decreases are primarily due to lower West Texas Intermediate (WTI) oil prices and a higher light-heavy blend differential, partially offset by a lower average exchange rate.

WTI oil prices averaged 45.15 U.S. dollars per barrel in 2015-16. This is a decrease of 35.33 U.S. dollars per barrel from the 2014-15 WTI average oil price of 80.48 U.S. dollars per barrel and a decrease of 12.00 U.S. dollars per barrel from the budgeted WTI average oil price of 57.15 U.S. dollars per barrel.

The light-heavy blend differential increased from 17.4 per cent in 2014-15 (19.1 per cent at budget) to 22.4 per cent in 2015-16 negatively impacting oil revenue.

The average exchange rate fell from 88.1 U.S. cents in 2014-15 (79.2 U.S cents at budget) to 76.4 U.S. cents in 2015-16. The decrease in the average exchange rate results in higher prices in Canadian dollars, all else equal, and is a positive impact on oil revenue.

The above mentioned factors resulted in a lower average Canadian dollar well-head price in Saskatchewan, falling from $70.22 in 2014-15 ($53.01 at budget) to $41.16 in 2015-16.

Additionally, production decreased from 187.4 million barrels in 2014-15 (178.7 million barrels at budget) to 174.0 million barrels in 2015-16.

Revenue (*continued*)

Resource surcharge revenue was $401 million in 2015-16, a decrease of $74 million, or 15.6 per cent, from the prior year but an increase of $14 million, or 3.6 per cent, over budget. Increases over the prior year and budget were experienced in the potash, uranium and coal sectors. A decrease in the oil and gas sector more than offset the year-over-year increases and partially offset the budget-to-actual increases in these other sectors.

Crown land sales revenue was $44 million in 2015-16, $121 million, or 73.3 per cent, less than reported in 2014-15. Both the amount of land purchased by industry and prices paid per hectare fell in 2015-16 against the backdrop of falling oil prices. The $69 million, or 60.9 per cent, decline from budget reflects continued industry uncertainty over future oil prices.

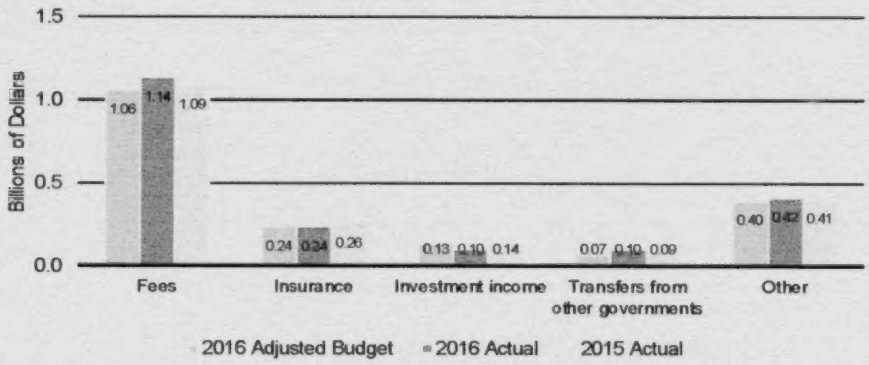
Other non-renewable resources (including natural gas and other miscellaneous non-renewable resource) revenue was $209 million, an increase of $60 million, or 39.9 per cent, over the prior year but a decrease of $46 million, or 18.0 per cent, when compared to budget. This is primarily due to uranium royalties which, even though lower-than-budgeted, were higher than the previous year.

Other Own-Source Revenue

Other own-source revenue was $2.00 billion in 2015-16. A year-over-year increase of $9 million, or 0.4 per cent, was mainly due to the impact of reporting an additional three months of operations for certain government organizations in the current year.

When compared to the adjusted budget, revenue increased by $101 million, or 5.3 per cent, representing higher-than-expected revenue for all types of other own-source revenue except for investment income which was less-than-expected.

Other Own-Source Revenue - Current Year Comparison to Budget and Prior Year



Fees revenue at $1.14 billion was $51 million, or 4.7 per cent, higher than reported in 2014-15 and $78 million, or 7.4 per cent, more than the adjusted budget. The year-over-year increase was primarily due to additional revenue collected for agricultural land sales and leases related to: pipeline easements; a new Agricultural Crown Land Sale Incentive Program; and changes under *The Wildlife Habitat Protection Act*. There was also a notable increase in motor vehicle licensing fees as well as additional fees revenue reported for those organizations reporting 15 months of operations in the current year. When compared to the adjusted budget, the increase was primarily due to higher-than-anticipated fees in health care and education reflecting conservative budget assumptions.

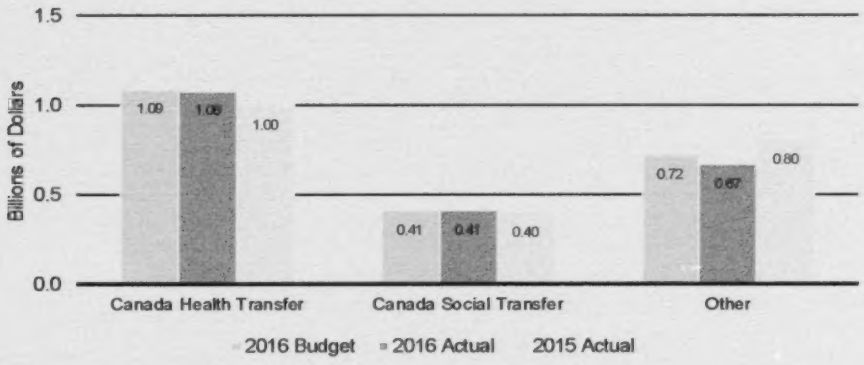
Revenue (*continued*)

Other other own-source (including insurance, investment income, transfers from other governments and other miscellaneous own-source) revenue was $866 million for the year. This was a reduction of $42 million, or 4.7 per cent, over the prior year and a $23 million, or 2.7 per cent, improvement over the adjusted budget. The year-over-year decrease was primarily in investment income, due to poor market performance, and in insurance revenue, where premiums collected from agricultural producers was down. Other own-source revenue was higher-than-expected in health care and education when compared to the adjusted budget which was built on conservative budget assumptions. This was partially offset by lower-than-budgeted investment income revenue.

Transfers from the Federal Government

Federal transfers were $2.16 billion in 2015-16, a decrease of $45 million, or 2.0 per cent, from 2014-15 and $68 million, or 3.0 per cent, compared to budget. When compared to 2014-15, federal contributions for disaster assistance funding were significantly lower. One-time transition funding for joining the national securities regulator recorded in 2014-15 added to the decrease over prior year. Increases in the Canada Health Transfer and Canada Social Transfer, resulting from legislated increases, as well as increases in federal infrastructure funding, partially offset these decreases. The decrease from budget was largely due to a delay in reaching an agreement with the federal government for the transfer of federal dams to the Province.

Transfers from the Federal Government - Current Year Comparison to Budget and Prior Year



Canada Health Transfer was $1.08 billion in 2015-16, an increase of $82 million, or 8.2 per cent, over the previous year but a decrease of $12 million, or 1.1 per cent, from budget. The increase over prior year was primarily due to a legislated 6 per cent increase in the national allocation. The decrease from budget resulted from revised population data in which Saskatchewan's share of the national population for 2014 and 2015 was lower-than-expected at budget.

Canada Social Transfer was $409 million in 2015-16, an increase of $11 million, or 2.8 per cent, over the previous year but a decrease of $4 million, or 0.9 per cent, from budget. The increase over prior year was primarily due to a legislated 3 per cent increase in the national allocation. The decrease from budget resulted from revised population data in which Saskatchewan's share of the national population for 2014 and 2015 was lower-than-expected at budget.

Other transfers from the federal government were $666 million in 2015-16, a decrease of $138 million, or 17.2 per cent, from the previous year and $52 million, or 7.2 per cent, from budget. One-time transitional funding received in the prior year for joining the national securities regulator significantly contributed to the year-over-year decrease in federal funding. Additionally, there was a reduction in federal disaster assistance funding partially offset by an increase in infrastructure funding, mostly related to the Regina Bypass project. When compared to budget, the decrease was primarily due to a delay in reaching an agreement with the federal government for the transfer of dams to the Province. This decrease from budget was partially offset by unbudgeted federal disaster assistance funding, primarily related to 2014 weather events.

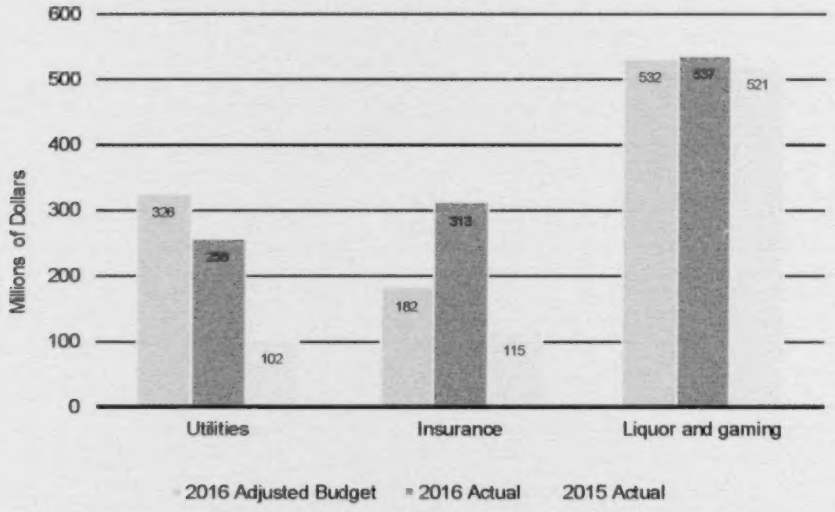
Revenue *(continued)*

Net Income from Government Business Enterprises (GBEs)

Net income from GBEs was $1.11 billion in 2015-16. A year-over-year increase of $370 million, or 50.1 per cent, includes $68 million representing the impact of reporting an extra three months of operations in the current year. The remaining $302 million increase, when compared on a 12 month basis, represents year-over-year increases across all GBE sectors.

When compared to the adjusted budget, there was a $69 million, or 6.6 per cent, improvement almost entirely due to better-than-expected results in insurance partially offset by poorer-than-expected results in utilities.

Net Income from Government Business Enterprises - Current Year Comparison to Budget and Prior Year



Utilities reported a combined net income of $258 million in 2015-16, a $156 million, or 152.9 per cent, increase over the previous year. This increase was primarily due to: favorable market value adjustments triggered by natural gas price volatility; system-wide rate increases on power usage; lower gas prices; growth in telecommunication services; and cost restraint initiatives. These improvements were partially offset by unfavorable market value adjustments on sinking fund investments and an increase in depreciation and financing costs from the Government's continued investment in utilities infrastructure.

When compared to the adjusted budget, the results reported by the utility sector fell short by $68 million, or 20.9 per cent. This shortfall was mainly due to higher-than-expected fuel and purchased power costs together with higher-than-expected unrealized market value losses on natural gas contracts and sinking funds. Cost restraint initiatives across this sector partially offset these unfavorable market driven variances.

Insurance reported $313 million in net income for the year, a $198 million, or 172.3 per cent, increase over the previous year. The increase over the previous year was mainly due to improved underwriting results, which stemmed from strong premium growth and a decline in claim costs. A drop in investment earnings, in which a reduction in unrealized market value gains exceeded an increase in realized investment income, partially offset the favorable underwriting results.

Compared to the adjusted budget, net income for insurance was $131 million, or 72.0 per cent, higher. This improvement over the adjusted budget was mainly due to higher-than-expected underwriting results for auto insurance attributable to less severe injury claims. In addition, there were better-than-expected investment earnings from strong equity and positive fixed income returns.

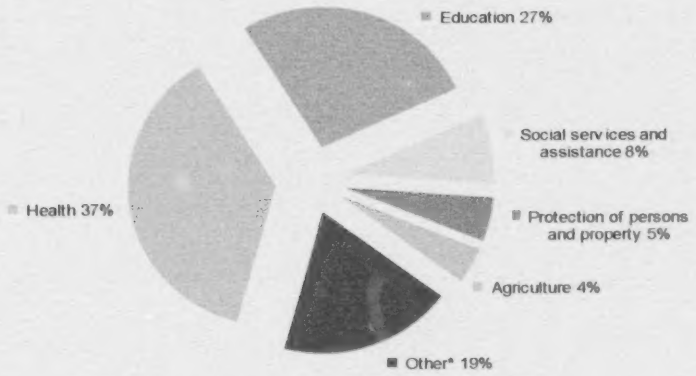
Liquor and gaming contributed $537 million towards the Government's bottom line, an improvement of $16 million, or 3.1 per cent, over 2014-15. This year-over-year increase was mainly due to increased liquor sales. Compared to the adjusted budget, this sector reported a $5 million, or 0.9 per cent, improvement over budget, largely due to higher-than-budgeted casino profits.

Expense

Expense is reported by theme in the Summary Statement of Operations. In addition to reporting expense by theme, the SFS also provide information on expense by object, or major type of expense.

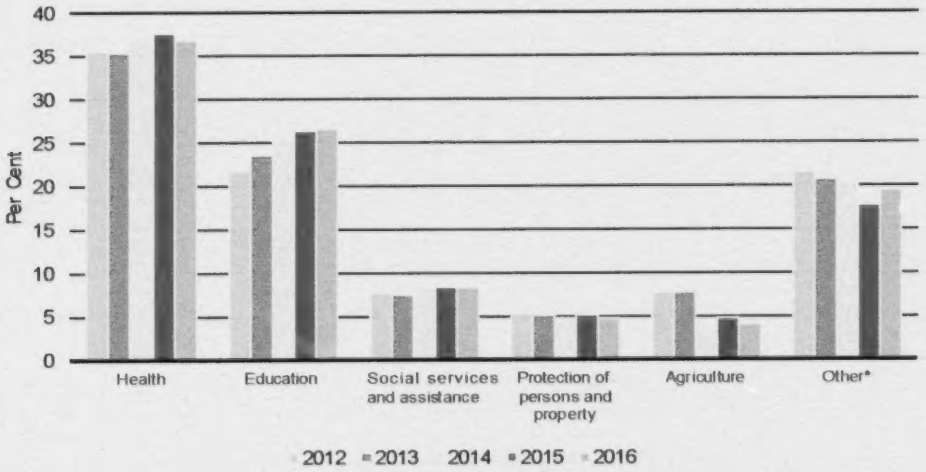
Expense by Theme

2015-16 Expense by Theme ($15.15 billion)



* Key components of "other" include transportation (4%), community development (3%), debt charges (3%), environment and natural resources (2%) and economic development (2%).

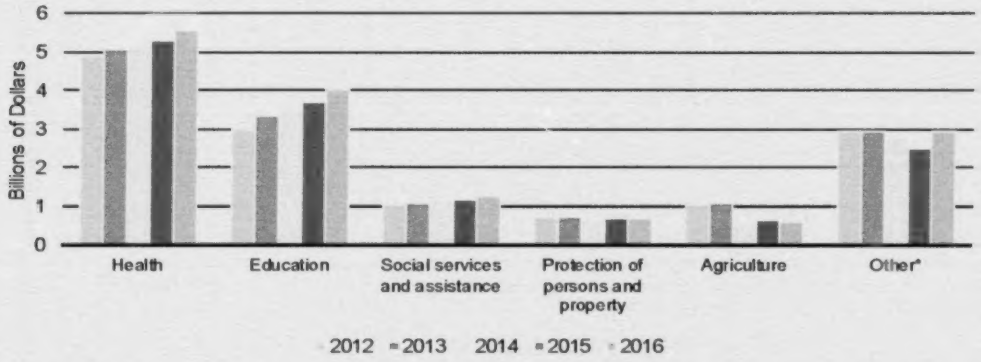
Expense by Theme as a Percentage of Total Expense - 5 Year Comparison



* In 2015-16, key components of "other" include transportation (4%), community development (3%), debt charges (3%), environment and natural resources (2%) and economic development (2%).

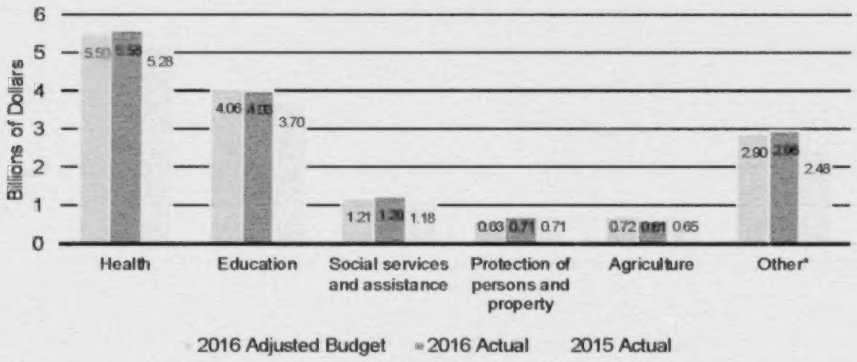
Expense (*continued*)

Expense by Theme - 5 Year Comparison



* In 2015-16, key components of "other" include transportation ($539 million), community development ($523 million), debt charges ($504 million), environment and natural resources ($303 million) and economic development ($267 million).

Expense by Theme – Current Year Comparison to Budget and Prior Year



* In 2015-16, key components of "other" reported in the Summary Statement of Operations include transportation ($539 million), community development ($523 million), debt charges ($504 million), environment and natural resources ($303 million) and economic development ($267 million).

Total expense was $15.15 billion in 2015-16. This represents an increase of $1.16 billion, or 8.3 per cent, over the prior year, with the largest increases experienced in the education, health and other spending themes mainly for pension related costs. The pension expense fluctuates year to year as the value of the pension liability is updated for changes in interest rates and other actuarial assumptions (e.g., life expectancy, inflation). Small decreases/increases in interest rates cause a significant increase/decrease to the pension liability and therefore pension expense. In the prior year, interest rates were at all-time lows and pension mortality studies showed increased life expectancy of plan members. These factors resulted in a significant increase in the pension liability that is being expensed over a short duration starting in 2015-16. The increase to the 2015-16 pension expense primarily due to these factors is $895 million.

The actual expense reported in 2015-16 was $137 million, or 0.9 per cent, higher than the adjusted budget. The SFS reported higher-than-budgeted expense amounts for virtually all of the themes illustrated above. Key changes in expense reported by theme are explained below.

Expense (*continued*)

Health expense was $5.58 billion in 2015-16, an increase of $299 million, or 5.7 per cent, over 2014-15 and $71 million, or 1.3 per cent, over the adjusted budget. When compared to the prior year, the increase was primarily due to a rise in health care compensation and an increase in the cost of insured services provided by physicians to Saskatchewan residents both in and out of the Province. Higher pension costs for the Saskatchewan Healthcare Employees' Pension Plan also contributed significantly to the increase over the previous year. When compared to the adjusted budget, the $71 million increase over budget was mainly attributable to volume-based pressures in the health regions.

Education expense was $4.03 billion in the current year, representing a $338 million, or 9.2 per cent, increase over the prior year and a $27 million, or 0.7 per cent, decrease when compared to the adjusted budget. The increase over prior year was mainly due to higher pension costs for the Teachers' Superannuation Plan resulting from a decline in interest rates and an increased life expectancy of plan members. Also contributing to the year-over-year increase, higher enrollments resulting in the requirement for additional teachers together with increased wages caused a rise in teachers' salaries. This was partially offset by a reduction in operating and capital funding to universities. The decrease from the adjusted budget was primarily due to lower-than-budgeted capital funding to universities and lower-than-expected contributions to teachers' pension plans as salaries and contribution rates were lower than budgeted.

Social services and assistance expense at $1.26 billion saw an increase of $80 million, or 6.8 per cent, over the prior year and $46 million, or 3.8 per cent, over budget. The year-over-year and budget-to-actual increases were primarily due to higher caseloads and cost per case in income assistance and disability services, particularly in the Saskatchewan Assured Income for Disabilities program and for Transitional Employment Allowance. There were also continued pressures experienced in child and family services and the evacuations caused by wildfires in the summer of 2015 resulted in a need for emergency social services.

Protection of persons and property expense at $707 million was $3 million, or 0.4 per cent, less than the prior year but $82 million, or 13.1 per cent, higher than the budget. When compared to the prior year, a decrease in Provincial Disaster Assistance Program (PDAP) claims was almost entirely offset by an increase in custody services due to pressures experienced in services for the rehabilitation of offenders and an increase in policing mainly associated with a new traffic safety initiative. The increase over budget was mainly due to unbudgeted costs for PDAP claims related to prior year damages and for rehabilitation services. These increases were partially offset by lower-than-expected policing costs largely due to savings in RCMP services.

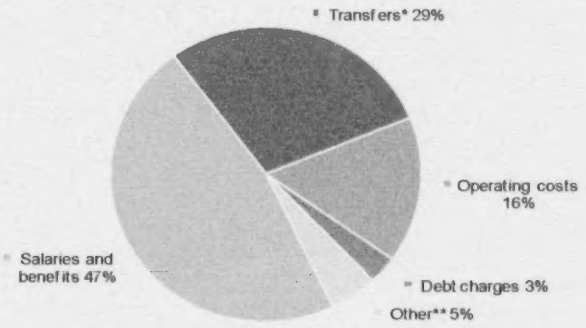
Agriculture expense was $613 million in 2015-16, a decrease of $38 million, or 5.9 per cent, from 2014-15 and $109 million, or 15.1 per cent, from budget. The year-over-year decrease was primarily due to a reduction in crop insurance indemnities, where improved yields and less crop damage resulted in fewer claims, and AgriStability program transfers resulting from higher production and prices for the 2015 crop year compared to the prior year. These decreases were partially offset by funding for a new International Trade Centre at Evraz Place. When compared to budget, better-than-expected crops in the current year resulted in lower-than-budgeted crop insurance claims.

Other expense was $832 million in 2015-16. This represents a $498 million, or 149.2 per cent, increase over the prior year which was almost entirely due to higher pension costs for the Public Service Superannuation Plan resulting from a decline in interest rates and an increased life expectancy of plan members. Other notable year-over-year changes in other expense include: an increase resulting from the Province's extreme wildfire season in 2015; an increase due to a change in accounting policy for other investments; a decrease related to funding for the Regina Stadium project; a decrease for the impact of changes to tax incentives, particularly the Graduate Retention program, the Research and Development Tax Credit and the Ethanol Fuel Tax Rebate; and a decrease for highway maintenance as a result of flood-related repairs in 2014-15. When compared to the adjusted budget, other expense was higher by $46 million, or 5.8 per cent. This was mainly due to the wildfires in the summer of 2015 as well as the impact of the change in accounting policy for other investments together with revisions in the liability related to employee benefit plans, neither of which was included in the adjusted budget.

Expense (*continued*)

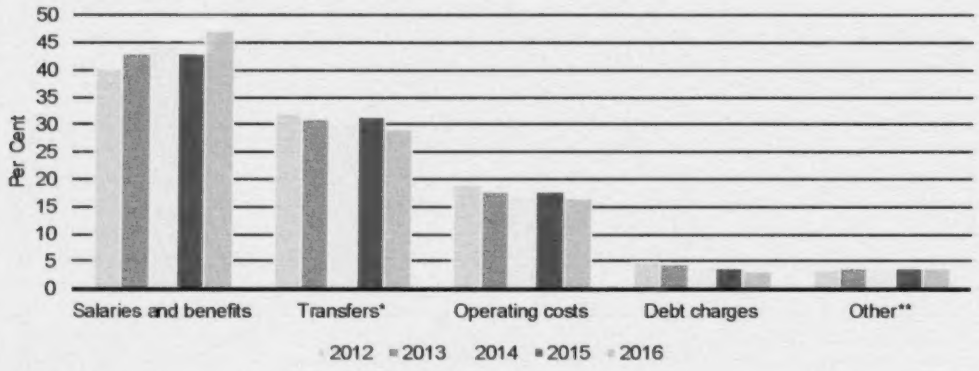
Expense by Object

2015-16 Expense by Object ($15.15 billion)



* Transfers are provided to third parties for salaries, capital and other costs.
** The key component of "other" is amortization of capital assets.

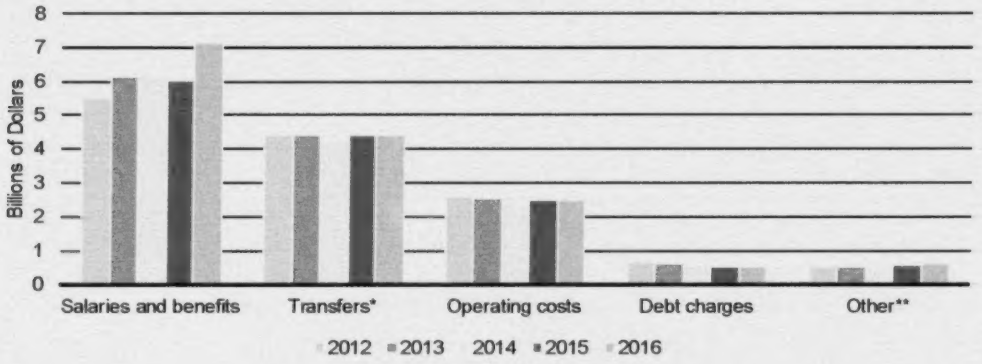
Expense by Object as a Percentage of Total Expense - 5 Year Comparison



* Transfers are provided to third parties for salaries, capital and other costs.
** The key component of "other" is amortization of capital assets.

Expense (*continued*)

Expense by Object - 5 Year Comparison



* Transfers are provided to third parties for salaries, capital and other costs.
** The key component of "other" is amortization of capital assets.

Most expense categories showed little change over the prior year. The significant year-over-year increase in salaries and benefits is mainly due to an increase in pension expense.

Public Debt and Other Significant Obligations

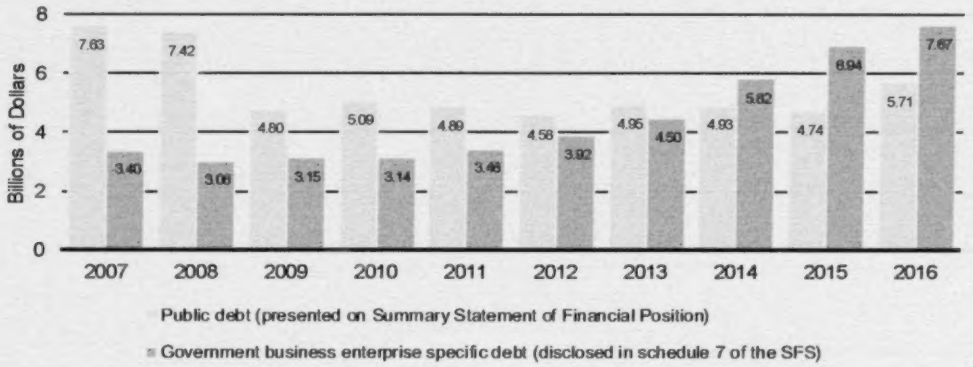
Public Debt

Public debt consists of gross debt net of sinking funds and includes:

- general debt, which is:
  - debt issued by the General Revenue Fund (GRF) and other government service organizations (GSOs); and
  - debt issued by the GRF and subsequently loaned to government business enterprises (GBEs); and
- GBE specific debt, which is debt issued by GBEs or debt issued by the GRF specifically on behalf of GBEs where the Government expects to realize the receivables from the GBEs and settle the external debt simultaneously.

Public debt on the Summary Statement of Financial Position represents general debt and does not include GBE specific debt. GBE specific debt is disclosed in schedule 7 of the SFS.

Public Debt - 10 Year Trend



At March 31, 2016, the SFS report public debt of $5.71 billion. Since 2006-07, public debt has declined $1.92 billion, from $7.63 billion to $5.71 billion.

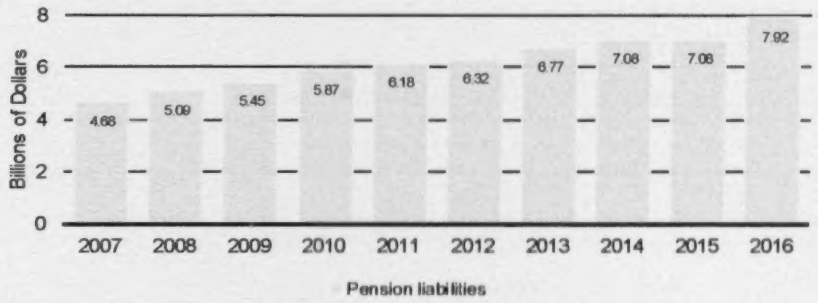
At March 31, 2016, GBEs specific debt was $7.67 billion. GBE specific debt is included in the investment in (or net assets of) GBEs reported on the Summary Statement of Financial Position and disclosed in schedule 3 of the SFS. Since 2006-07, GBE specific debt has increased from $3.40 billion to $7.67 billion. This increase has helped to finance the replacement of aging infrastructure as well as the building of new capacity to meet the demands of a growing population in the Province.

Public Debt and Other Significant Obligations (*continued*)

Pension Liabilities

Pension liabilities represent the future obligations for the Government's defined benefit pension plans. The pension liability fluctuates with changes in actuarial assumptions such as interest rates and life expectancy. The Government limited its pension exposure over 30 years ago when it closed the main defined benefit plans to new members and introduced defined contribution plans. There is no liability exposure for the Government under defined contribution plans.

Pension Liabilities - 10 Year Trend

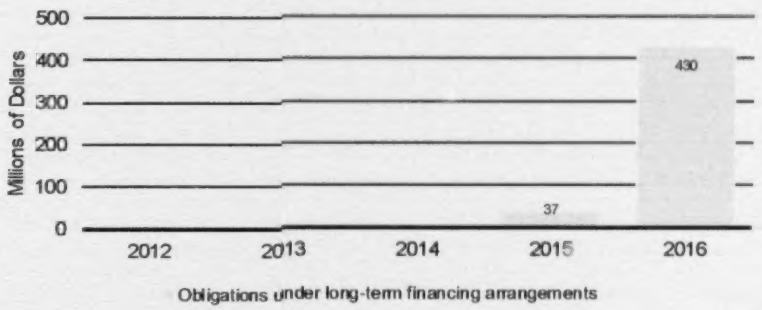


At March 31, 2016, the SFS report pension liabilities of $7.92 billion, an increase of $3.24 billion since 2006-07. This increase is primarily a result of a decline in interest rates over the same period of time, where small fluctuations in interest rates have a significant impact on the pension liability.

Obligations under Long-Term Financing Arrangements

Obligations under long-term financing arrangements represent the Government's liability for public private partnerships (P3s). P3 obligations increase as the related assets are built (percentage of completion basis), and are reduced as payments are made to the P3 partner. Under the P3 contracts, the Government is obligated to pay the P3 partner over the duration of the contract.

Obligations under Long-Term Financing Arrangements - 5 Year Trend

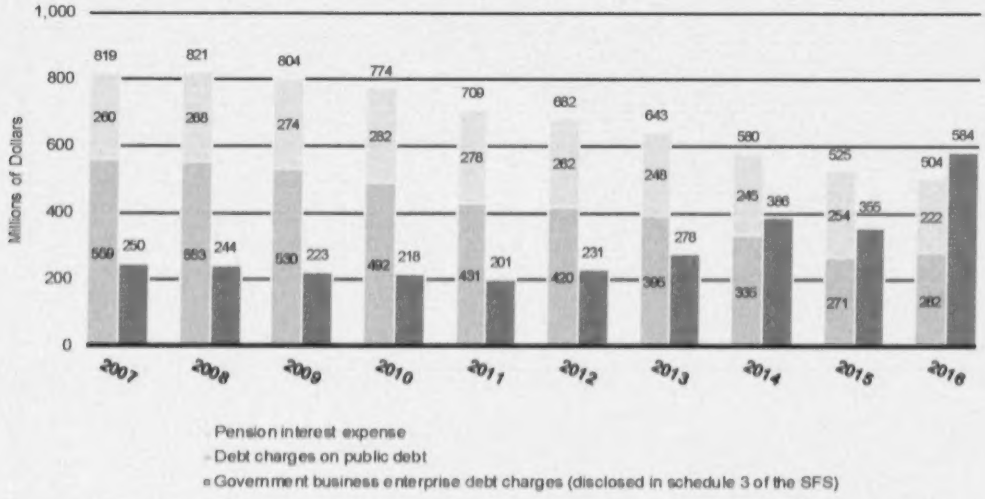


Since 2014-15, the Government has entered into four P3 arrangements (as disclosed in schedule 9 of the SFS). At March 31, 2016, construction on all P3 projects was in progress but not yet complete.

Debt Charges

The Summary Statement of Operations reports debt charges that the Government incurs related to its public debt, unfunded pension liability and obligations under long-term financing obligations (P3 obligations) and does not include government business enterprise (GBE) debt charges. GBE debt charges are included in the net income from GBEs reported on schedule 3 of the SFS. For public debt, debt charges are determined by the amount of general public debt and the interest rate attached to that debt. The average effective interest rate on gross debt during 2015-16 was 4.3 per cent (2014-15 - 4.6 per cent). Pension interest expense is a function of the unfunded pension liability and the interest rates that are based on the Government's borrowing rates. The average effective interest rate on the unfunded pension liability during 2015-16 was 2.6 per cent (2014-15 - 3.1 per cent). Interest on P3 obligations, which is not significant for 2015-16, reflects the Government's cost of borrowing at the date the P3 contract is signed.

Debt Charges - 10 Year Trend



Since 2006-07, the amount of general public debt has declined by $1.92 billion. This, together with a decline in interest rates, has resulted in a decrease in debt charges on public debt over the last 10 years. During the same period, reductions in the interest rates led to increases in the unfunded pension liability and overall reductions in the related debt charges. As a result, the debt charges reported in the SFS have decreased from $819 million in 2006-07 to $504 million in 2015-16.

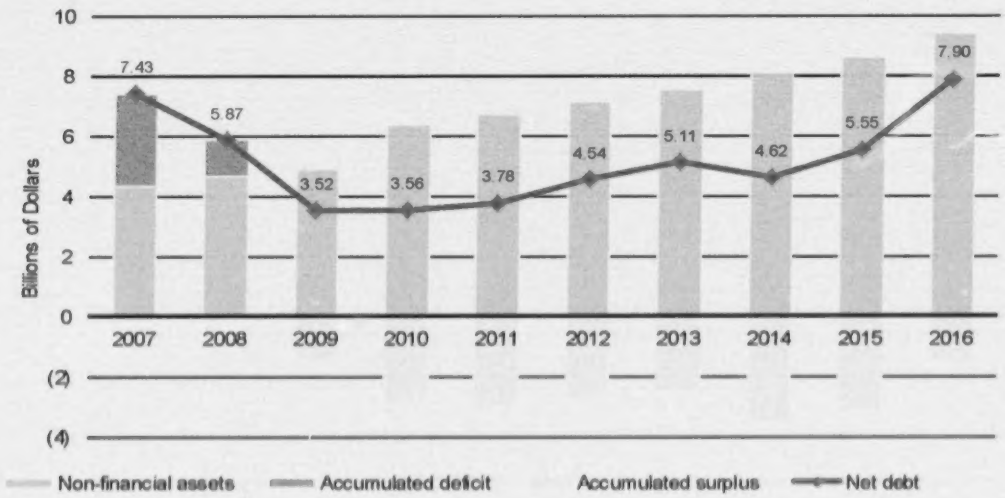
GBE debt charges has increased in recent years mainly due to an increase in GBE debt to finance the replacement of aging infrastructure as well as the building of new capacity to meet the demands of a growing population in the Province. Also, in 2015-16, the inclusion of an additional three months of operations of certain GBEs contributed approximately $120 million to GBE debt charges.

Net Debt

Net debt represents the future revenue that is required to pay for past transactions and events. It is the difference between the Government's financial assets and liabilities.

During 2015-16, net debt increased by $2.35 billion.

Net Debt - 10 Year Trend



Since 2008-09, the SFS have reported an accumulated surplus. Accumulated surplus reduces net debt.

Net debt of the SFS is:

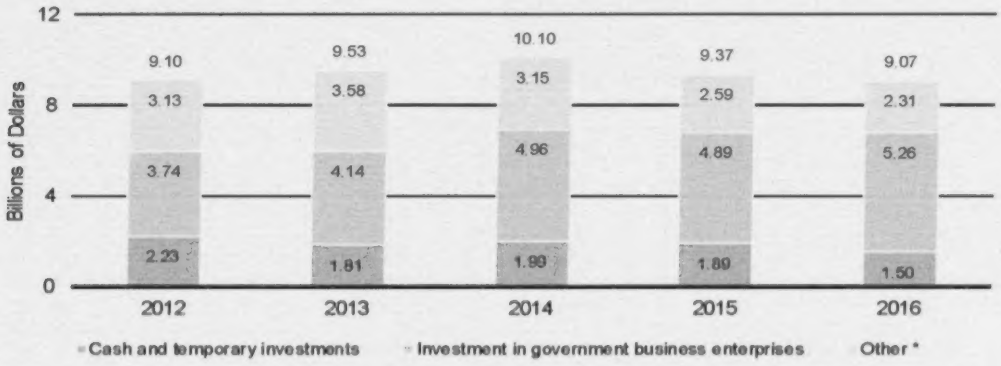
- net debt from the acquisition of non-financial assets, primarily representing the Government's investment in educational and health care facilities and highways; net of
- the accumulated surplus, representing the extent to which past revenues have exceeded past expenses.

The Government's net debt is primarily related to its $9.16 billion investment in capital assets.

Financial Assets

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

Financial Assets - 5 Year Trend

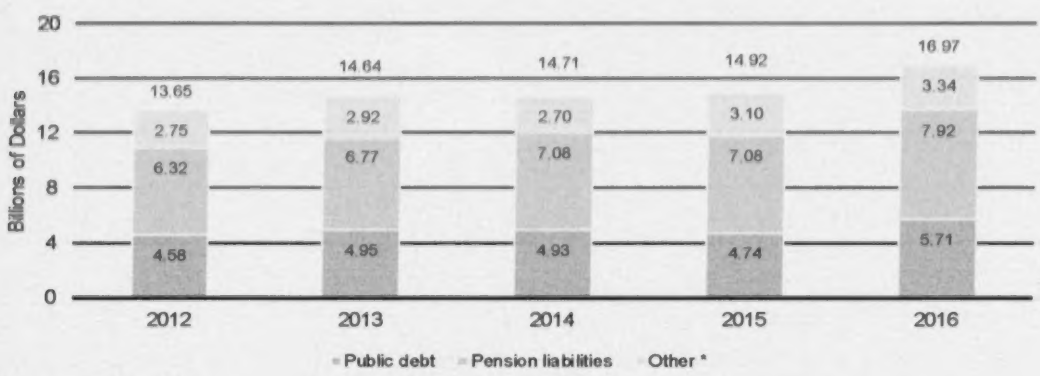


* In 2015-16, primarily accounts receivable ($1.38 billion), loans receivable ($496 million) and other investments ($408 million).

Liabilities

Liabilities represent the obligations the Government has to others arising from past transactions or events.

Liabilities - 5 Year Trend



* In 2015-16, primarily accounts payable ($2.10 billion) and obligations under long-term financing arrangements ($430 million). Due to the adoption of a new public sector accounting standard, a contaminated sites liability of $312.4 million was reported for the first time in 2014-15 without retroactive restatement.

From 2011-12 to 2015-16, liabilities increased by $3.32 billion. This was primarily a result of a $1.60 billion increase in pension liabilities and a $1.13 billion increase in public debt. Beginning in 2014-15, the Government has obligations under long-term financing arrangements representing its liability for public private partnerships which is $430 in 2015-16. Information relating to public debt can be found in more detail in the public debt and other significant obligations section found on page 22.

The total pension liability has increased from $6.32 billion in 2011-12 to $7.92 billion in 2015-16. The increase was due to the amount by which pension costs, including interest on the pension liabilities and actuarial adjustments, exceed payments to the pension plans and retirees.

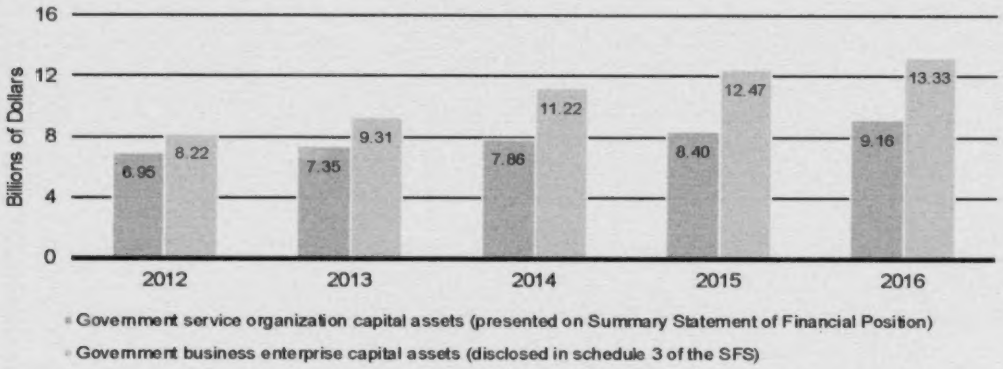
Non-Financial Assets

Non-financial assets typically represent resources that the Government can use to provide services in the future. Non-financial assets primarily consist of capital assets but also include inventories held for consumption and prepaid expenses.

Capital Assets

The Summary Statement of Financial Position reports a net book value of capital assets held by government service organizations (GSOs) of $9.16 billion and does not include the capital assets held by government business enterprises (GBEs). Capital assets held by GBEs total $13.33 billion at March 31, 2016 and are included in the investment in (or net assets of) GBEs reported on the Summary Statement of Financial Position and disclosed in schedule 3 of the SFS. The net book value of capital assets held by the Government for the past five years is as follows:

Net Book Value of Capital Assets - 5 Year Trend



The net book value represents the original cost of capital assets net of accumulated amortization, disposals and write-downs in value. The net book value of capital assets held by the Government has steadily increased over the last five years indicating that the Government has been acquiring new or replacing existing capital assets faster than these same assets are wearing out or becoming obsolete.

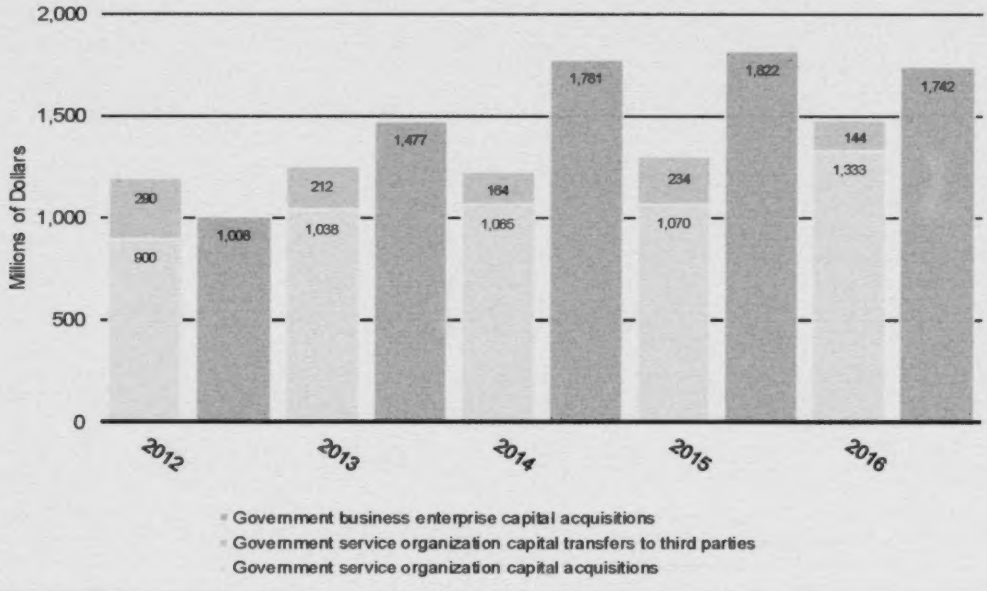
Acquisition of capital assets in 2015-16 was $3.07 billion, $1.74 billion acquired by GBEs and $1.33 billion by GSOs. The investment in capital assets made by GSOs was primarily in the transportation, education and health sectors mainly for land, buildings and improvements ($621 million) and infrastructure ($495 million) and included $412 million in assets acquired using public private partnerships. The GBEs continued to invest in aging infrastructure and capital projects to meet the demand for growth.

Investment in Infrastructure

The Government invests in infrastructure by either:
- investing in government-owned capital; or
- providing transfers to third parties, including municipalities and universities, for capital purposes.

During 2015-16, the Government invested $3.22 billion in infrastructure: $1.74 billion for government business enterprises (GBEs) to maintain existing and build new infrastructure; $1.33 billion to meet the capital requirements of government service organizations (GSOs); and $144 million provided by GSOs to third parties for their capital purposes.

Investment in Infrastructure - 5 Year Trend



The Government's capital acquisitions totaled $3.07 billion in 2015-16. Of this, the $1.74 billion acquired by GBEs are included in the investment in (or net assets of) GBEs reported on in the Summary Statement of Financial Position and disclosed in schedule 3 of the SFS. The remaining $1.33 billion investment in capital assets was made by GSOs and includes $412 million in assets acquired using public private partnerships.

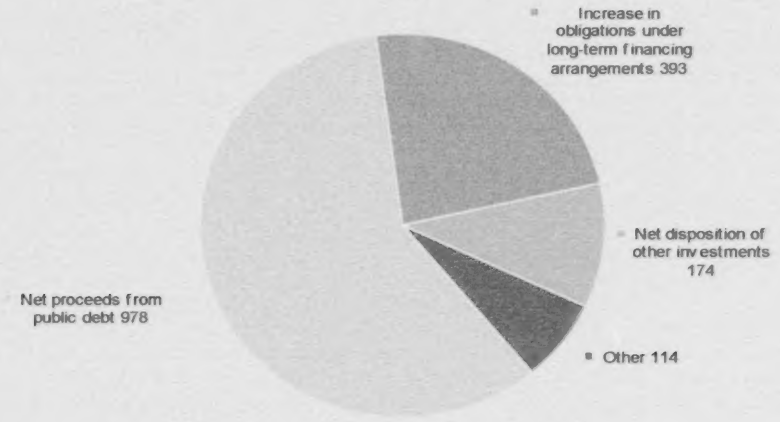
In addition to capital acquisitions, the Government provided $144 million in capital transfers to third parties in 2015-16.

Cash Flow

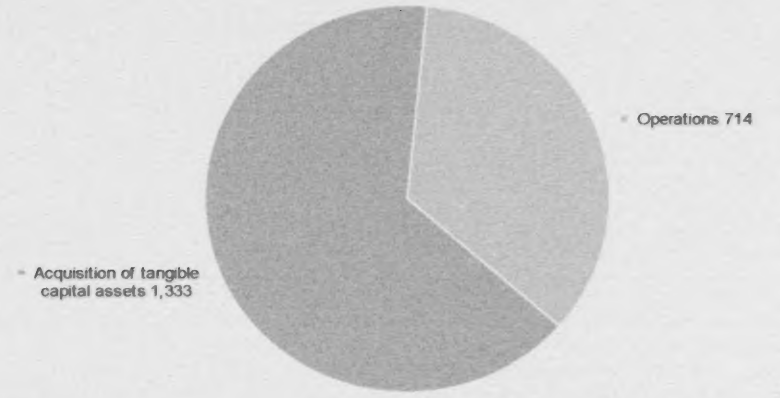
The Summary Statement of Cash Flow reports on the sources and uses of cash and temporary investments during the year. During the year, the Government's overall cash position decreased by $388 million, from $1.89 billion in 2014-15 to $1.50 billion in 2015-16.

2015-16 Sources and Uses of Cash
(millions of dollars)

Sources of Cash (1,659)


Increase in obligations under long-term financing arrangements 393
Net disposition of other investments 174
Other 114
Net proceeds from public debt 978

Uses of Cash (2,047)



The primary source of cash was net proceeds from public debt generating $978 million. Other sources of cash include $393 million for an increase in obligations under long-term financing arrangements and a $174 million net disposition of other investments, mainly bonds and debentures held by the Government. Cash was mainly used for the acquisition of capital assets, using $1.33 billion in cash. This represents the Government's continued commitment to invest in the Province's infrastructure as well as in education and health care facilities. In addition, cash in the amount of $714 million was used for operations.

Credit Rating

The Province obtains a credit rating from the three major credit rating agencies: Moody's Investors Service Inc., Standard & Poor's and the Dominion Bond Rating Service. Overall, Saskatchewan's credit rating from the three major credit rating agencies ranks second highest among the Canadian provinces.

The credit ratings for all jurisdictions as at March 31, 2016, are shown below.

Credit Ratings - March 2016

	Rating Agency[1]		
Jurisdiction	**Moody's Investors Service Inc.**	**Standard & Poor's**	**Dominion Bond Rating Service**
British Columbia	Aaa	AAA	AA (high)
Alberta	Aaa (neg)[2]	AA+[2]	AAA (neg)[2]
Saskatchewan	Aaa	AAA (neg)[2]	AA
Manitoba	Aa2	AA	A (high)
Ontario	Aa2 (neg)[2]	A+	AA (low)
Quebec	Aa2	A+	A (high)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	A+	A (high)
Prince Edward Island	Aa2	A	A (low)
Newfoundland & Labrador	Aa2 (neg)	A (neg)	A (neg)[2]

Ratings reflect the latest credit ratings available at March 31, 2016.

[1] The rating agencies assign letter ratings to borrowers. The major A bracket categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A. The '1', '2', '3', 'high', 'low', '-', and '+' modifiers show relative standing within the major categories with (neg) representing a negative outlook or trend. For example, AAA exceeds AA, Aa1 exceeds Aa2 and AA exceeds AA-.

[2] Since March 31, 2016, the following rating actions have occurred:
Alberta: Moody's Investors Service Inc. from Aaa (neg) to Aa1 (neg); Standard & Poor's from AA+ to AA (neg); and Dominion Bond Rating Service from AAA (neg) to AA (high).
Saskatchewan: Standard & Poor's from AAA (neg) to AA+ (neg).
Ontario: Moody's Investors service Inc. from Aa2 (neg) to Aa2.
Newfoundland & Labrador: Dominion Bond Rating Service from A (neg) to A (low).

Assessment of Financial Condition

Financial condition describes a government's financial health or its ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to creditors, employees and others. The following assessment of the Government's financial condition considers three elements: sustainability, flexibility and vulnerability.

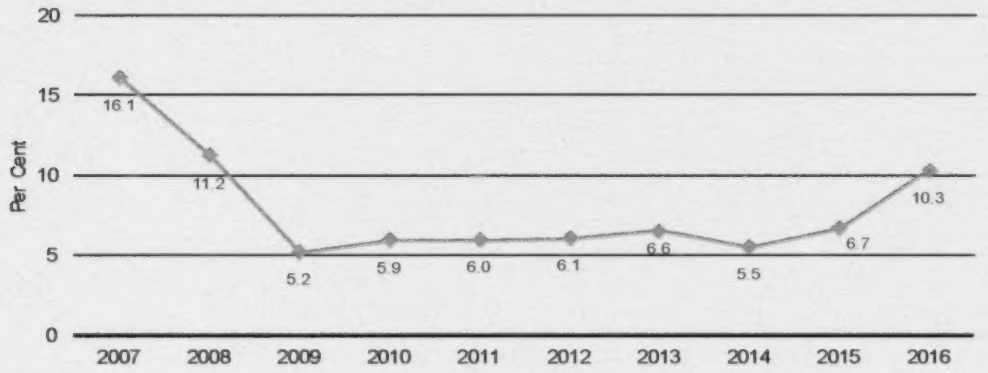
Sustainability

Sustainability is the degree to which a government can maintain its existing service commitments and meet its existing financial obligations without increasing its debt or tax burden relative to the economy within which it operates.

Net Debt to the Province's Gross Domestic Product

Gross domestic product (GDP) is a measure of the value of the goods and services produced during a year, indicating the size of the provincial economy. Net debt is the difference between a government's financial assets and liabilities and represents the future revenue that is required to pay for past transactions and events. Net debt as a percentage of the Province's GDP provides a measure of the level of financial demands placed on the economy by the Government's spending and taxation policies. A lower net debt to GDP ratio is desired and indicates higher sustainability.

Net Debt as a Percentage of the Province's Gross Domestic Product - 10 Year Comparison



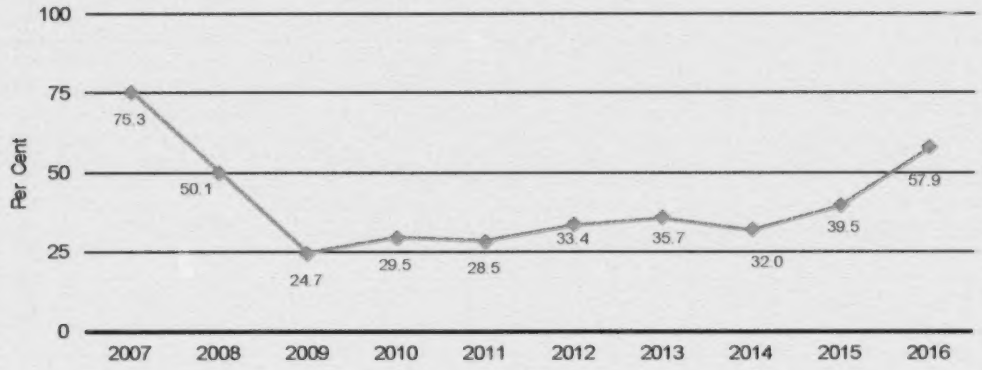
The general overall downward trend illustrated by this ratio is a result of growth in the provincial economy together with an overall decline in net debt. The relatively stable ratio from 2009 to 2015 indicates the Government's overall fiscal policies over the same period of time were sustainable to the extent that the rate of economic growth in the Province matched the growth in net debt. The rise in this ratio in 2016 indicates that the $2.35 billion increase in net debt in the current year, mainly a result of market-driven variables such as low oil prices and low interest rates, together with the Government's investment in infrastructure, was not matched by economic growth in the Province over the same period.

Assessment of Financial Condition (*continued*)

Net Debt to Total Revenue

Another measure of a government's sustainability is net debt as a percentage of total revenue. Net debt provides a measure of the future revenue that is required to pay for past transactions and events. A lower net debt to revenue ratio indicates higher sustainability, as less time is required to eliminate net debt.

Net Debt as a Percentage of Total Revenue - 10 Year Comparison

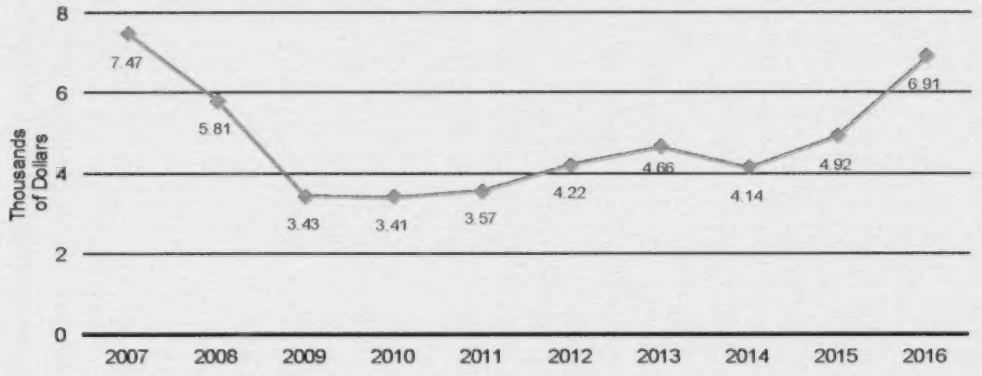


The Government's net debt as a percentage of total revenue has increased over the past seven years, from 24.7 per cent in 2008-09 to 57.9 per cent in 2015-16. The overall increase in this ratio over the past seven years indicates that the cost of Government's transactions and events, including the acquisition of infrastructure, have exceeded the Government's total revenue.

Net Debt per Capita

Net debt per capita represents the net debt attributable to each Saskatchewan resident. A decrease in this ratio indicates the debt burden per resident has improved.

Net Debt per Capita - 10 Year Comparison



Figures are based on Statistics Canada first quarter estimates representing the population at January 1 of each year.

The increase in this ratio over the last seven years is a result of an overall increasing net debt that exceeds the growth in the Province's population over the same period. The significant rise in this ratio in 2016 indicates that the annual increase in the Province's population in 2015-16 was proportionately lower than the increase in net debt over the same period. The $2.35 million increase in net debt is mainly a result of market-driven variables, such as low oil prices and low interest rates, together with the Government's continued investment in infrastructure.

Assessment of Financial Condition (*continued*)

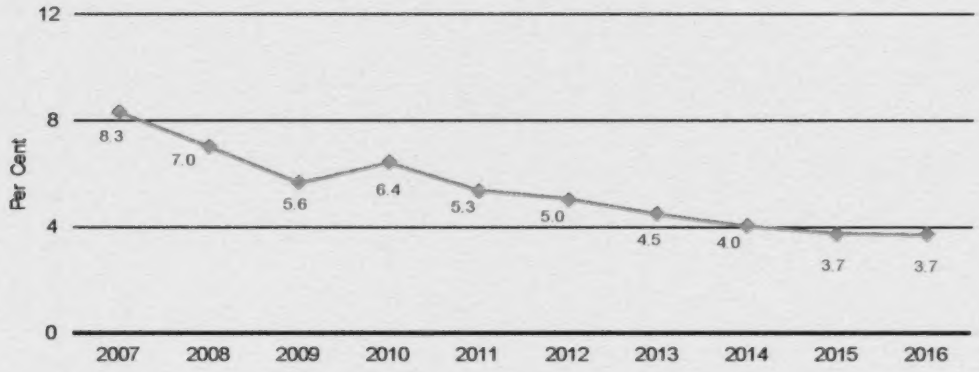
Flexibility

Flexibility is the degree to which a government can change its debt or tax burden and still meet its existing service commitments and financial obligations.

Debt Charges to Total Revenue

A debt charges to total revenue ratio, often referred to as the interest bite, indicates the proportion of provincial revenue that is required to pay interest charges on general public debt and therefore is not available to pay for essential public services and programs. A lower ratio means that there is more money available to provide government services.

Debt Charges as a Percentage of Total Revenue - 10 Year Comparison



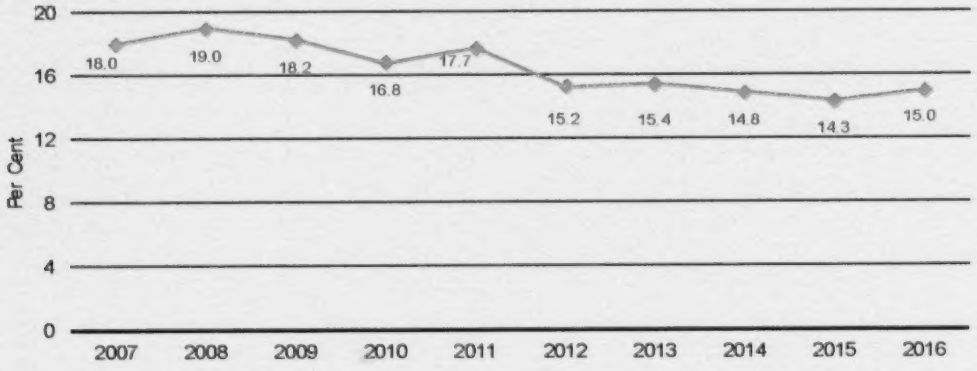
Over the last ten years, the interest bite has decreased due to both increased revenue and decreased interest costs. In 2015-16, the Government spent approximately 3.7 cents of each dollar of revenue on debt charges on general public debt, compared to 8.3 cents in 2006-07. This reduction leaves more resources available to the Government to provide services without increasing its revenue.

Assessment of Financial Condition (*continued*)

Own-source Revenue to the Province's Gross Domestic Product

This ratio measures the extent to which the Government is taking income out of the provincial economy, either through taxation, non-renewable resources revenue or user fees. An increase in this ratio indicates that the Government's own-source revenue is growing faster than the economy, reducing the Government's flexibility to increase revenue without slowing the growth of the provincial economy.

Own-source Revenue as a Percentage of the Province's Gross Domestic Product - 10 Year Comparison



Own-source revenue as a percentage of GDP has remained relatively stable over the last ten years meaning that the Government has not significantly changed its demands on the provincial economy over this time. The chart, while relatively stable, shows an overall decreasing level which indicates that the Government's flexibility has improved slightly over the last ten years.

Assessment of Financial Condition (*continued*)

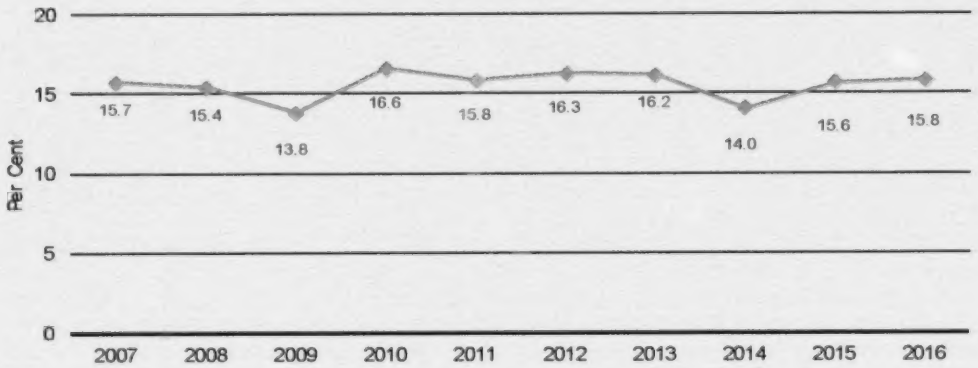
Vulnerability

Vulnerability is the degree to which a government is dependent on sources of funding outside of its control or is exposed to risks that could impair its ability to meet its existing service commitments and financial obligations.

Transfers from the Federal Government to Total Revenue

The Government has no control over the amount of federal transfers that it receives each year. Transfers from the federal government as a percentage of total revenue is therefore an indicator of the degree of vulnerability the Government has as a result of reliance on the federal government for revenue. Generally, a decreasing ratio indicates that a government is less reliant on federal transfers to fund its programs, making it less vulnerable.

Transfers from the Federal Government as a Percentage of Total Revenue - 10 Year Comparison



In 2015-16, 15.8 per cent of the Government's revenue came from transfers from the federal government with the remainder coming from Saskatchewan sources. The Government's ability to fund essential programs and services from own-source revenue has remained fairly stable over the past several years.

Foreign Currency Debt to Net Debt

The ratio of foreign currency debt to net debt is an indicator of the degree of vulnerability a government has to currency rate fluctuations. Where the Government holds debt that is issued in foreign currencies it often uses cross currency swaps, a hedging strategy, to effectively convert this debt to Canadian dollar debt. At March 31, 2016, this ratio is essentially nil due to the Government's hedging strategies together with its investment in U.S. dollar sinking fund assets. Over the last ten years, exposure to currency rate fluctuations on foreign currency debt has been minimal. Decreasing this exposure through the use of hedging activities and holding U.S. dollar sinking fund investments mitigates the risk of debt and debt servicing costs changing due to changes in foreign currency rates.

Risks and Uncertainties

The Government is subject to risks and uncertainties that arise from variables which the Government cannot directly control. These risks and uncertainties include:

- changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, marketplace competition, population change, personal income and retail sales;
- exposure to interest rate risk, foreign exchange rate risk, credit risk and liquidity risk;
- changes in transfers from the federal government;
- utilization of government services, such as insurance, health care and social services;
- volatility in the pension liability due to external factors such as interest rates and actuarially determined assumptions of future events;
- other unforeseen developments including unusual weather patterns and natural and other disasters;
- criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities and equipment;
- identification and quantification of environmental liabilities;
- factors that could hinder the safe delivery of products and services;
- outcomes from litigation, arbitration and negotiations with third parties;
- changes in reported results where actual experience may differ from initial estimates as discussed in note 2 of the SFS; and
- changes in accounting standards.

Recognizing that Saskatchewan is heavily reliant on the revenue from non-renewable resources and that the Province's financial results can be influenced by other external factors, the Government takes a prudent approach in developing its budget assumptions for macroeconomic variables and non-renewable resources prices. The Government uses a number of forecasts from national forecasting agencies and banks, private industry and private sector analysts when developing the underlying assumptions for fiscal forecasts both on budget day and throughout the fiscal year.

The fiscal impact of changes in the underlying economic assumptions, including non-renewable resources prices, are estimated on a regular basis to quantify the risk associated with each forecast assumption. By understanding the size of the risk inherent in the fiscal projections, the Government is better able to make sound financial decisions.

Finally, for the Government to meet its challenges of growth and remain competitive where it operates in a competitive environment, attention is directed towards maintaining and investing in the Province's infrastructure to support the steady growth the Province has been experiencing and to allow for continued growth in the future.

Risk management specific to public debt is discussed in note 4 of the SFS.

Summary Financial Statements

Responsibility for the Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements in accordance with generally accepted accounting principles for the public sector, using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations and other government organizations to prepare these statements.

The Provincial Auditor expresses an independent opinion on these statements. Her report, which appears on the following page, provides the scope of her audit and states her opinion.

Treasury Board approves the Summary Financial Statements. The statements are tabled in the Legislative Assembly as part of the Public Accounts and referred to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.

KEVIN DOHERTY
Minister of Finance

CLARE ISMAN
Deputy Minister of Finance

TERRY PATON
Provincial Comptroller

Regina, Saskatchewan
July 2016

Independent Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Government of Saskatchewan, which comprise the Summary Statement of Financial Position as at March 31, 2016, and the Summary Statements of Operations, Accumulated Surplus, Change in Net Debt, and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

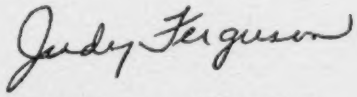
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 2016, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

I draw attention to Notes 10, 11, and 12 of the financial statements that describe the impact of the change in year-ends from December 31, 2015 to March 31, 2016 of certain government organizations identified in Note 11. As these Notes indicate, the change resulted in the accompanying financial statements including, in the current year, an extra three months of operations for these organizations. My opinion is not modified in respect of this matter.



Regina, Saskatchewan
July 14, 2016

JUDY FERGUSON, FCPA, FCA
Provincial Auditor

Summary Statement of Financial Position

As at March 31, 2016

(thousands of dollars)

	2016	2015
Financial Assets		
Cash and temporary investments (*note 3*)	1,501,748	1,889,675
Accounts receivable (*schedule 1*)	1,377,196	1,434,252
Loans receivable (*schedule 2*)	495,727	543,667
Investment in government business enterprises (*schedule 3*)	5,258,065	4,893,752
Other investments (*schedule 4*)	407,957	604,577
Other financial assets	25,481	4,373
Total Financial Assets	9,066,174	9,370,296
Liabilities		
Accounts payable and accrued liabilities (*schedule 5*)	2,099,800	2,224,530
Unearned revenue (*schedule 6*)	201,223	240,732
Public debt (*note 4*)(*schedule 7*)	5,707,626	4,741,184
Unamortized foreign exchange gain	6,409	7,984
Obligations under long-term financing arrangements (*schedule 9*)	429,825	37,308
Pension liabilities (*note 5*)(*schedule 10*)	7,922,077	7,077,077
Other liabilities (*schedule 11*)	598,533	593,355
Total Liabilities	16,965,493	14,922,170
Net Debt	(7,899,319)	(5,551,874)
Non-Financial Assets		
Prepaid expenses	51,704	52,401
Inventories held for consumption	185,792	176,680
Tangible capital assets (*schedule 12*)	9,156,493	8,397,155
Total Non-Financial Assets	9,393,989	8,626,236
Accumulated Surplus	1,494,670	3,074,362

Contingencies (*note 8*)

Contractual obligations (*note 9*)

The accompanying notes and schedules are an integral part of these financial statements.

Summary Statement of Operations

For the Year Ended March 31, 2016

(thousands of dollars)

	2016		2015
	Adjusted Budget[1]	Actual[2]	Actual
Revenue			
Taxation	6,808,100	6,605,304	6,511,658
Non-renewable resources	2,453,200	1,761,265	2,614,478
Other own-source revenue	1,901,700	2,003,025	1,994,169
Transfers from the federal government	2,223,000	2,155,489	2,200,056
Net income from government business enterprises (*schedule 3*)	1,039,700	1,108,612	738,362
Total Revenue (*schedule 13*)	14,425,700	13,633,695	14,058,723
Expense			
Agriculture	721,600	612,752	650,942
Community development	531,900	523,143	565,543
Debt charges (*schedule 15*)	515,400	503,571	524,841
Economic development	266,100	267,238	288,537
Education	4,061,900	4,034,688	3,696,407
Environment and natural resources	242,100	302,739	212,630
Health	5,504,200	5,575,163	5,276,477
Protection of persons and property	625,700	707,324	710,541
Social services and assistance	1,209,900	1,255,970	1,175,780
Transportation	551,600	538,543	561,285
Other	786,300	832,072	333,864
Total Expense (*schedule 14*)	15,016,700	15,153,203	13,996,847
(Deficit) Surplus	(591,000)	(1,519,508)	61,876

[1] Budget figures have been adjusted to the same basis as the 2016 actual results, including an $820.8 million decrease in the budgeted results to account for pension costs on the accrual basis and a $123.0 million increase in the budgeted results to represent 15 months of budgeted operations for certain government organizations (*note 10*).

[2] Includes 15 months of operations for certain government organizations, the year-end of which changed from December 31 to March 31 during the year (*notes 11 and 12*).

The accompanying notes and schedules are an integral part of these financial statements.

Summary Statement of Accumulated Surplus

For the Year Ended March 31, 2016

(thousands of dollars)

	2016		2015
	Adjusted Budget[1]	Actual[2]	Actual
Accumulated surplus, beginning of year	3,074,362	3,074,362	3,469,283
Adjustment to accumulated surplus (*note 14*)	-	-	(284,219)
(Deficit) surplus	(591,000)	(1,519,508)	61,876
Other comprehensive loss (*schedule 3*)	-	(60,184)	(172,578)
Accumulated Surplus, End of Year	2,483,362	1,494,670	3,074,362

[1] Budget figures have been adjusted to the same basis as the 2016 actual results (*note 10*).

[2] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

Summary Statement of Change in Net Debt

For the Year Ended March 31, 2016

(thousands of dollars)

	2016		2015
	Adjusted Budget[1]	Actual[2]	Actual
(Deficit) Surplus	(591,000)	(1,519,508)	61,876
Tangible Capital Assets			
Acquisitions (*schedule 12*)	(1,452,500)	(1,332,812)	(1,069,787)
Amortization (*schedule 12*)	549,000	542,100	514,561
Proceeds on disposal	-	31,036	31,117
Write-downs (*schedule 12*)	-	20,388	928
Net gain on disposal	-	(20,050)	(11,257)
Net Acquisition of Tangible Capital Assets	(903,500)	(759,338)	(534,438)
Other Non-Financial Assets			
Net use (acquisition) of prepaid expenses	-	697	(3,238)
Net acquisition of inventories held for consumption	-	(9,112)	(3,922)
Net Acquisition of Other Non-Financial Assets	-	(8,415)	(7,160)
Change in net debt from operations	(1,494,500)	(2,287,261)	(479,722)
Adjustment to accumulated surplus (*note 14*)	-	-	(284,219)
Other comprehensive loss (*schedule 3*)	-	(60,184)	(172,578)
Increase in net debt	(1,494,500)	(2,347,445)	(936,519)
Net debt, beginning of year	(5,551,874)	(5,551,874)	(4,615,355)
Net Debt, End of Year	(7,046,374)	(7,899,319)	(5,551,874)

[1] Budget figures have been adjusted to the same basis as the 2016 actual results (*note 10*).

[2] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

The accompanying notes and schedules are an integral part of these financial statements.

Summary Statement of Cash Flow

For the Year Ended March 31, 2016

(thousands of dollars)

	2016[1]	2015
Operating Activities		
(Deficit) surplus	(1,519,508)	61,876
Non-cash items included in the (deficit) surplus		
Net income from government business enterprises (*schedule 3*)	(1,108,612)	(738,362)
Other non-cash items included in the (deficit) surplus (*schedule 17*)	540,813	441,469
Net change in non-cash operating activities (*schedule 17*)	688,745	208,540
Dividends received from government business enterprises (*schedule 3*)	684,115	609,684
Dividends received from other investments	-	4,340
Cash (Used for) Provided by Operating Activities	(714,447)	587,547
Capital Activities		
Acquisition of tangible capital assets (*schedule 12*)	(1,332,812)	(1,069,787)
Proceeds on disposal of tangible capital assets	31,036	31,117
Cash Used for Capital Activities	(1,301,776)	(1,038,670)
Investing Activities		
Net decrease in loans receivable	46,425	190,980
Repayment of equity advances by government business enterprises	-	4,000
Acquisition of other investments	(183,233)	(433,469)
Disposition of other investments	357,086	677,592
Sinking fund contributions for general debt (*schedule 8*)	(42,376)	(48,215)
Sinking fund redemptions for general debt (*schedule 8*)	55,441	338,598
Cash Provided by Investing Activities	233,343	729,486
Financing Activities		
Proceeds from public debt	1,465,434	613,710
Repayment of public debt	(487,725)	(1,050,305)
Increase in obligations under long-term financing arrangements *(schedule 9)*	392,517	37,308
Increase in other liabilities	24,727	23,124
Cash Provided by (Used for) Financing Activities	1,394,953	(376,163)
Decrease in cash and temporary investments	(387,927)	(97,800)
Cash and temporary investments, beginning of year	1,889,675	1,987,475
Cash and Temporary Investments, End of Year	1,501,748	1,889,675

[1] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

The accompanying notes and schedules are an integral part of these financial statements.

Notes to the Summary Financial Statements

As at March 31, 2016

1. Significant Accounting Policies

Basis of accounting

These Summary financial statements are prepared in accordance with Canadian public sector accounting standards issued by the Public Sector Accounting Board.

Government reporting entity

The government reporting entity consists of government service organizations, government business enterprises and government partnerships.

Government service organizations and government business enterprises are organizations controlled by the Government. Controlled organizations that are self-sufficient and have the financial and operating authority to sell goods and services to individuals and other organizations outside the government reporting entity as their principal activity are classified as government business enterprises. All other controlled organizations are government service organizations.

A government partnership exists when the Government has entered into a contractual arrangement with one or more partners outside the government reporting entity where these partners share, on an equitable basis, the significant risks and benefits associated with operating the partnership.

A listing of the organizations included in the government reporting entity is provided in schedule 18. Unless otherwise noted, the financial activities of all subsidiaries of these organizations have also been included.

Trust funds

Trust funds are administered but not controlled by the Government and, therefore, are excluded from the government reporting entity and are disclosed in note 7.

Method of consolidation

Government service organizations are consolidated after adjustment to a basis consistent with the accounting policies described in this note. Significant inter-organizational balances and transactions are eliminated. Government service organizations in which a non-controlling interest exists are proportionately consolidated.

Government business enterprises are accounted for by the modified equity method. Using this method, the Government's investment in government business enterprises, which is initially recorded at cost, is adjusted annually to include the Government's proportionate share of net earnings or losses and certain other net equity changes of government business enterprises without adjustment to conform with the accounting policies described in this note. With the exception of dividends declared by March 31 and significant unrealized inter-organizational gains and losses, inter-organizational balances and transactions are not eliminated.

Government partnerships are proportionately consolidated after adjustment to a basis consistent with the accounting policies described in this note and are disclosed in note 6. Significant inter-organizational balances and transactions are eliminated.

Financial results of government organizations with fiscal year-ends other than March 31 are adjusted for transactions occurring before March 31 that have a significant impact on these financial statements.

In 2015-16, as disclosed in notes 11 and 12, the fiscal year-end of certain government organizations was changed from December 31 to March 31 to align with the Government's fiscal year. Accordingly, these financial statements include 15 months of operations for these organizations in the current year and 12 months of operations in the prior year.

Specific accounting policies

Financial assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Temporary investments are recorded at the lower of cost or market.

Loans receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan is written down to recognize the loss. Interest is recognized on the accrual basis; when collection is uncertain, it is recorded on the cash basis.

Notes to the Summary Financial Statements

1. Significant Accounting Policies *(continued)*

Other investments are recorded at cost, with the exception of pooled investment funds, which are recorded at market value. Investments recorded at cost are written down to market value when there is evidence of a permanent decline in value.

Other financial assets include inventories held for resale and deferred charges. Inventories held for resale are valued at the lower of cost and net realizable value. Deferred charges include issue costs and net discounts or premiums incurred on the issue of debt and related derivative instruments which are recorded at cost and amortized on a straight-line basis over the remaining life of the debt issue.

Liabilities

Liabilities are present obligations resulting from transactions and events occurring prior to year-end, which will be satisfied in the future through the transfer or use of assets or another form of economic settlement. Contingencies, including loss provisions on guaranteed debt, are recorded when it is likely that a liability exists and the amount can be reasonably estimated.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year-end and to provide authorized transfers where eligibility criteria are met. Included in accrued salaries and benefits are other employee future benefits which are recognized in the period the employees provide service.

Public debt is recorded at par, and is comprised of:

- *general debt*, which is presented on the Statement of Financial Position, is debt issued by government service organizations and includes issued amounts subsequently transferred to government business enterprises; and
- *government business enterprise specific debt*, which is disclosed separately on schedule 7, is debt issued by, or specifically on behalf of, government business enterprises.

Debenture issues that require contributions to a sinking fund are recorded at principal less sinking fund balances. Premiums and discounts on long-term investments within these sinking funds are amortized on a constant yield basis.

Debt issues and sinking fund investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Premiums, discounts and issue costs are recorded as deferred charges.

Unamortized foreign exchange gain represents the net unrealized gain or loss resulting from the conversion of debentures due and sinking funds held in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at March 31. These unrealized gains and losses are amortized on a straight-line basis over the remaining life of the debt issue. Realized foreign exchange gains and losses are included in the surplus or deficit.

Obligations under long-term financing arrangements represent the Government's liability for public private partnerships (P3s). These liabilities are recorded on the percentage of completion basis over the period of construction of the P3 asset and reduced by progress and capital payments made to the P3 partner. The percentage of completion is applied to the nominal value of progress payments and the present value of future capital payments, discounted to the date the asset is available for use, using the Government's borrowing rate for long-term debt at the time the agreement is signed.

Pension liabilities are calculated using the projected benefit method prorated on services, except as otherwise disclosed in note 5. Pension fund assets are valued at market-related values. Changes in the pension liabilities that result from estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Amortization commences in the year following the determination of the adjustment. Gains or losses resulting from plan amendments are recognized in the period of the plan amendment.

Other liabilities include obligations for contaminated sites recorded using the Government's best estimate of the amount required to remediate sites for which the Government is either directly responsible or has accepted responsibility. The contaminated sites liability represents the cost of activities to bring the site to the current minimum environmental standard based on the nature of its use prior to contamination. These liabilities are reported net of any expected recoveries.

Non-financial assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead are normally employed to deliver government services, may be consumed and are not for sale in the normal course of operations.

Notes to the Summary Financial Statements

1. Significant Accounting Policies *(continued)*

Inventories held for consumption are recorded at cost and are expensed as they are consumed.

Tangible capital assets are recorded at cost and include all amounts directly attributable to the acquisition, construction, development or betterment of the asset. During construction, these assets are recorded based on their percentage of completion and are disclosed as work-in-progress. Amortization is generally on a straight-line basis over the estimated useful life and commences when the asset is in service.

Tangible capital assets procured through P3s are valued at the total of the nominal value of progress payments made during or on completion of construction and the present value of the future capital payments, discounted to the date the asset is available for use using the Government's borrowing rate for long-term debt at the time the agreement is signed.

Revenue

Revenues are recorded on the accrual basis. For corporate and individual income taxes, cash received from the federal government, adjusted for assessment data from the federal government when it provides a more reliable estimate, is used as the basis for recording the tax revenue. Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

Expense

Expenses are recorded on the accrual basis. Government transfers are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

New accounting standards not yet in effect

A number of new Canadian public sector accounting standards and amendments to standards are not yet effective for governments and have not been applied in preparing these financial statements. The following standards will become effective as follows:

PS 2200 Related Party Disclosures (effective April 1, 2017), a new standard defining related parties and establishing guidance on disclosure requirements for related party transactions.

PS 3210 Assets (effective April 1, 2017), a new standard providing guidance for applying the definition of assets and establishing disclosure requirements for assets.

PS 3320 Contingent Assets (effective April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contingent assets.

PS 3380 Contractual Rights (effective April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contractual rights.

PS 3420 Inter-Entity Transactions (effective April 1, 2017), a new standard establishing guidance on accounting for and reporting on transactions between organizations in the government reporting entity.

PS 3430 Restructuring Transactions (effective April 1, 2018), a new standard defining a restructuring transaction and establishing guidance on recognition and measurement of assets and liabilities transferred in a restructuring transaction.

PS 3450 Financial Instruments (effective April 1, 2019), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 2601 Foreign Currency Translation (effective April 1, 2019), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

The Government plans to adopt these new and amended standards on the effective date and is currently analyzing the impact this will have on these financial statements.

Notes to the Summary Financial Statements

2. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized or disclosed in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Measurement uncertainty, disclosed in aggregate for government service organizations and government business enterprises, that may be material to these financial statements exists:

- in pension obligations of $8,335.1 million (2015 - $7,449.6 million), insurance claim obligations of $3,283.3 million (2015 - $3,221.0 million), and environmental obligations including the remediation of contaminated sites of $631.1 million (2015 - $608.0 million) because actual experience may differ significantly from actuarial or historical estimations and assumptions;
- in corporate and individual income taxation revenue of $3,539.9 million (2015 - $3,395.0 million) because final tax assessments may differ from initial estimates;
- in oil and natural gas non-renewable resource revenue of $564.7 million (2015 - $1,297.9 million) because of price and production sensitivities in the royalty revenue structures;
- in potash non-renewable resource revenue of $552.1 million (2015 - $546.3 million) because actual operating profits may differ from initial estimates;
- in resource surcharge non-renewable resource revenue of $400.6 million (2015 - $474.5 million) because the final valuation of resource sales may differ from initial estimates on which installments are based;
- in the Canada Health Transfer and Canada Social Transfer revenue of $1,489.4 million (2015 - $1,396.1 million) because of changes in economic and demographic conditions in the Province and the country;
- in certain investments of $621.9 million (2015 - $507.8 million - restated) because these investments have no active market;
- in the Provincial Disaster Assistance Program receivable of $185.7 million (2015 - $176.3 million) because actual settlement payments may differ from initial estimates;
- in unbilled utility revenue receivable of $93.7 million (2015 - $135.2 million) because actual usage may differ from estimated usage; and
- in agricultural income stability program obligations of $70.5 million (2015 - $93.3 million) because historical production margins may differ from actual experience.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized or disclosed.

3. Cash and Temporary Investments

Temporary investments are $583.8 million (2015 - $789.7 million) and mature in less than one year. Due to the short-term nature of these investments, market value approximates cost. Cash and temporary investments includes $126.0 million (2015 - $157.3 million) restricted as a result of agreements with external parties.

4. Risk Management of Public Debt

The Government borrows funds in both domestic and foreign capital markets by issuing Government of Saskatchewan securities. As a result, the Government is exposed to four types of risk: interest rate risk, foreign exchange rate risk, credit risk and liquidity risk.

To manage these risks, the Government maintains a preference for fixed rate Canadian dollar denominated debt. Where market conditions dictate that other forms of debt are more attractive, the Government seeks opportunities to use derivative financial instruments to reduce these risks. A derivative financial instrument is a contract, the value of which is based on the performance of an underlying financial asset, index or other investment.

Interest rate risk is the risk that the Government's debt charges will increase due to changes in interest rates. This risk is managed by issuing debt securities at predominantly fixed rates of interest. In addition, bond forward contracts may be used to reduce the impact of interest rate increases during the period preceding a borrowing transaction.

Floating rate debt is defined as the sum of floating rate debentures, short-term promissory notes and fixed rate debt maturing within one year. The Government seeks opportunities to effectively convert floating rate debt into fixed rate debt through the use of interest rate swaps. The Government has interest rate swaps on a notional value of debt of $79.4 million (2015 - $52.6 million). At March 31, 2016, 82.7 per cent (2015 - 82.0 per cent) of the Government's gross debt effectively carried a rate of interest that was fixed for greater than a one-year period.

Notes to the Summary Financial Statements

4. Risk Management of Public Debt *(continued)*

Public debt includes floating rate debt of $2,604.4 million (2015 - $2,398.0 million). A one percentage point increase in interest rates would have increased the deficit by $26.0 million.

Interest rate risk is also managed through use of bond forward contracts. At March 31, 2016, there are obligations to sell $114.0 million (2015 - $274.0 million) of 3.5 per cent December 1, 2045 Government of Canada debentures for $147.0 million (2015 - $345.5 million) by October 19, 2016.

Foreign exchange rate risk is the risk that the Government's debt charges will increase due to a decline in the value of the Canadian dollar relative to other currencies. This risk is managed by maintaining a preference for issuing debt that is denominated in Canadian dollars. Where debt has been issued in foreign currencies, the Government seeks opportunities to effectively convert it into Canadian dollar debt through the use of cross currency swaps. At March 31, 2016, 98.0 per cent (2015 - 97.9 per cent) of the Government's gross debt is effectively denominated in Canadian dollars. A five percentage point fluctuation in the Canadian dollar in relation to the U.S. dollar at the March 31, 2016 level would not have a significant effect on debt and debt servicing costs.

The following foreign denominated items have been hedged to Canadian dollars using cross currency swaps:

- debentures of 575.0 million U.S. dollars (2015 - 575.0 million) fully hedged to $725.3 million Canadian (2015 - $725.3 million); and
- interest payments on debentures of 225.0 million U.S. dollars (2015 - 225.0 million) hedged to Canadian dollars at an exchange rate of 1.2172 (2015 - 1.2172).

In total, the Government has cross currency swaps on a notional value of debt of $999.2 million (2015 - $1,548.5 million). The effectiveness of these hedges is assessed on an ongoing basis by monitoring the credit ratings of the counterparties to the hedges.

Credit risk is the risk that a loss may occur from the failure of another party to meet its obligations. For derivative financial instrument contracts this risk is managed by dealing only with counterparties that have good credit ratings and by establishing limits on individual counterparty exposures and monitoring those exposures on a regular basis. At March 31, 2016, 94.1 per cent (2015 - 100 per cent) of the Government's counterparties held a Standard and Poor's credit rating of A or better. The remaining counterparties held a Standard and Poor's credit rating of BBB+ or better.

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term. This risk is managed by distributing debt maturities over many years, maintaining sinking funds on long-term debt issues and maintaining adequate cash reserves and short-term borrowing programs as contingent sources of liquidity.

5. Retirement Benefits

The Government sponsors several defined benefit pension plans and a defined contribution pension plan. The Government also participates in a joint defined benefit pension plan.

Defined benefit plans provide benefits based on length of service and pensionable earnings. A typical defined benefit plan provides pensions equal to 2.0 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. When a valuation is not done in the current fiscal year an actuary extrapolates the most recent valuation. Valuations and extrapolations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. Estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on the actual market values averaged over a four-year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long-term rates of return for the individual plans.

Joint defined benefit plans are governed by a formal agreement between the joint sponsors (i.e., employer and plan members), which establishes that the joint sponsors have shared control over the plan. Funding contributions are shared mutually between the employer and plan members. The sponsors share, on an equitable basis, the significant risks of each plan. Accordingly, the Government accounts for only its portion of the plan. Plan assets and surpluses are restricted for member benefits or certain other purposes set out in the agreement. Plan benefits are determined on the same basis as defined benefit plans.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

The accrued benefit obligation is determined using the projected accrued benefit actuarial cost method. Pension fund assets are valued at market related values by averaging the difference between the net investment income on a market value basis and the expected investment income determined by the actuary, over a five-year period.

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government provides contributions at specified rates for employee current service.

Pension fund assets of government sponsored defined benefit and defined contribution plans are invested in fixed income securities, equities, real estate, pooled investment funds and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

Government service organizations

Defined benefit plans and joint defined benefit plan

The two main defined benefit plans are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan, and the Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No.13 (PPNTE). Defined benefits are also payable to members of the former Members of the Legislative Assembly Superannuation Fund (MLA).

The Government is required to match member current service contributions for all plans except the PSSP, Judges and PPNTE. Funding contributions are required for the PPNTE. Separate pension funds are maintained for all plans except the PSSP and the MLA, for which member contributions are received and pension obligations are paid directly by the Government.

The Government also participates in the Saskatchewan Healthcare Employees' Pension Plan (SHEPP), a joint defined benefit plan for employees of the Regional Health Authorities. The Government contributes to the plan at the ratio of 1.12 to 1 of employee contributions. Any actuarially determined deficiency is the responsibility of participating employers and employees in the ratio of 1.12 to 1. The Government's participating employer contributions for the SHEPP represents approximately 90 per cent of the total employer contributions to the plan.

Information on the defined benefit plans and the joint defined benefit plan of government service organizations is as follows:

	TSP	PSSP	Others	SHEPP	2016 Total	2015 Total
Plan status	closed	closed	closed [1]	open	n/a	n/a
Member contribution rate *(percentage of salary)*	7.85	7.00-9.00 [2]	5.00-9.00 [2]	8.10-10.70	n/a	n/a
Number of active members	396	122	984	36,646	38,148	37,777
Average age of active members *(years)*	61.6	60.5	47.9	44.6	44.9	45.3
Number of former members entitled to deferred pension benefits	3,940	10	176	1,788	5,914	5,914
Number of superannuates and surviving spouses	11,477	5,345	523	15,498	32,843	31,997
Actuarial valuation date	June 30/15	Dec. 31/14	Various	Dec. 31/13	n/a	n/a
Long-term assumptions used						
Rate of compensation increase *(percentage)*	3.50	3.25	3.25-3.50	3.00	n/a	n/a
Expected rate of return on plan assets *(percentage)*	3.65	n/a	5.10-6.35	6.50	n/a	n/a
Discount rate *(percentage)*	3.10	3.00	2.50-6.85	6.50	n/a	n/a
Inflation rate *(percentage)*	2.50	2.25	2.25-2.50	2.25	n/a	n/a
Expected average remaining service life *(years)*	2.3	0.0	6.6-12.0	11.7	n/a	n/a
Post-retirement index *(percentage of annual increase in Consumer Price Index)*	80	70	0-75	Ad hoc	n/a	n/a

[1] Judges and PPNTE are open to new membership; all other plans are closed.
[2] Contribution rate varies based on age upon joining the plan.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

Defined contribution plans

The Government sponsors the Public Employees Pension Plan (PEPP). The Government provides contributions to the plan at specified rates for employee current service. On June 25, 2015, participating employers, plan members, and plan assets of the Capital Pension Plan Defined Contribution Fund were transferred to PEPP. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP) which is sponsored by the Saskatchewan Teachers' Federation, as well as the Municipal Employees' Pension Plan (MEPP) and the Regina Civic Employees' Superannuation and Benefit Plan (RCESP). The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution plans of government service organizations is as follows:

	PEPP *Government Sponsored*	STRP [1]	MEPP [2]	RCESP [3]	2016 Total	2015 Total
Plan status	open	open	open	open	n/a	n/a
Member contribution rate *(percentage of salary)*	5.00-9.00 [4]	10.20-12.40	8.15	8.42-13.96	n/a	n/a
Government contribution rate *(percentage of salary)*	5.00-9.51 [4]	7.00-9.00	8.15	8.42-14.60	n/a	n/a
Government service organization participation						
Number of active members	17,467	15,428	10,176	2,139	45,210	44,733
Member contributions *(thousands of dollars)*	82,515	102,570	23,107	11,954	220,146	200,901
Government contributions *(thousands of dollars)*	90,418	82,835	23,107	12,361	208,721	206,760

[1] Teachers employed by Boards of Education after July 1, 1980 participate in the STRP, a contributory defined benefit pension plan. The Government contributes an amount which is set through provincial negotiations.

[2] Certain employees of Boards of Education and Regional Colleges participate in the MEPP, a multi-employer defined benefit plan. All costs, including costs of any actuarially determined deficiency, are equally shared by the employees and employers. At December 31, 2015, audited financial statements for the MEPP reported an accrued benefit obligation of $1,796.0 million (2014 - $1,646.1 million) and pension fund assets at market value of $2,113.0 million (2014 - $1,980.1 million).

[3] Certain employees of a Regional Health Authority and a Board of Education participate in the RCESP, a multi-employer defined benefit plan. The RCESP was amended effective January 1, 2016. Under the amended provisions the deficiency determined by the actuarial valuation as at December 31, 2014 will be amortized over a period of no more than 20 years commencing January 1, 2016. The pre-amendment deficiency will be funded through participating employer and employee contributions at a rate of 60 per cent and 40 per cent respectively and any future deficits funded on a 50:50 basis. At December 31, 2015, audited financial statements for the RCESP reported an accrued benefit obligation of $1,349.9 million (2014 - $1,297.0 million) and pension fund assets at market value of $1,324.2 million (2014 - $1,226.6 million).

[4] Contribution rate varies based on employee group.

Pension expense

The total pension expense of government service organizations includes the following:

(thousands of dollars)	2016	2015
Defined benefit plans		
Current period benefit cost	24,701	25,564
Amortization of estimation adjustments	1,002,133	194,624
Employee contributions	(5,373)	(5,321)
Pension interest expense	221,732	254,045
Pension expense, defined benefit plans	1,243,193	468,912
Other plans		
Pension expense, joint defined benefit plan	147,129	28,610
Pension expense, defined contribution plans	208,721	206,760
Total Pension Expense [1]	1,599,043	704,282

[1] Reported in the Summary Statement of Operations as follows: $777.3 million (2015 - $447.4 million) in education; $221.7 million (2015 - $254.0 million) in debt charges; $163.4 million (2015 - $44.8 million) in health; and $436.6 million (2015 - ($41.9) million) in other.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

Government business enterprises

Defined benefit plans

There are additional employee pension plans of government business enterprises which are accounted for in the investment in government business enterprises. The two main defined benefit plans of government business enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other plans include the Saskatchewan Government Insurance Superannuation Plan, the Liquor Board Superannuation Plan, and the Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board.

The Government contributes the amount necessary to fund the payment of pension benefits.

Information on the defined benefit plans of government business enterprises is as follows:

	SaskPower	SaskTel	Others	2016 Total	2015 Total
Plan status	closed	closed	closed	n/a	n/a
Number of active members	57	39	8	104	137
Number of former members, superannuates and surviving spouses	1,785	1,996	389	4,170	4,235
Member contributions *(thousands of dollars)*	-	-	2	2	5
Government contributions *(thousands of dollars)*	-	-	5,462	5,462	3,749
Benefits paid *(thousands of dollars)*	79,455	85,841	10,764	176,060	140,017
Actuarial valuation date	Sept. 30/15	Dec. 31/13	Various	n/a	n/a
Long-term assumptions used					
Rate of compensation increase *(percentage)*	n/a	n/a	3.25	n/a	n/a
Discount rate *(percentage)*	3.60	3.60	3.40-3.80	n/a	n/a
Inflation rate *(percentage)*	2.00	2.50	2.00-2.25	n/a	n/a
Post-retirement index *(percentage of annual increase in Consumer Price Index)*	70	100	0-70	n/a	n/a

Based on the latest actuarial valuation with extrapolations to the government organization's year end, the present value of accrued pension benefits and the market value of pension fund assets are shown in the table below:

(thousands of dollars)	SaskPower	SaskTel	Others	2016 Total	2015 Total
Accrued benefit obligation	958,671	1,147,369	131,667	2,237,707	2,272,645
Fair value of plan assets	743,960	998,811	81,954	1,824,725	1,900,150
Pension Liabilities	214,711	148,558	49,713	412,982	372,495

Defined contribution plan

Information on government business enterprises' participation in PEPP is as follows:

	2016 [1] [2]	2015
Plan status	open	open
Member contribution rate *(percentage of salary)* [3]	4.00-7.25	4.00-7.25
Government contribution rate *(percentage of salary)* [3]	5.50-8.00	6.00-8.00
Government business enterprise participation		
Number of active members	12,290	12,446
Government contributions *(thousands of dollars)* [2]	77,686	60,790

[1] On June 25, 2015, participating employers, plan members, and plan assets of the Capital Pension Plan Defined Contribution Fund were transferred to PEPP.
[2] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).
[3] Contribution rate varies based on employee group.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

Pension expense

Pension expense for government business enterprises is included in income from government business enterprises. The total pension expense of government business enterprises includes the following:

(thousands of dollars)	2016 [1]	2015
Defined benefit plans	17,181	12,293
Defined contribution plan	77,686	60,790
Total Pension Expense	94,867	73,083
Net loss included in Other Comprehensive Loss	28,770	136,236

[1] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

6. Government Partnerships

The Government has entered into various contractual arrangements with parties outside the government reporting entity resulting in shared control of certain organizations. The Government's holdings in government partnerships include:

- shared control of Battlefords First Nations Joint Board of Education, which operates Sakewew High School in North Battleford;
- shared control of Prairie Diagnostic Services Inc., which provides veterinary diagnostic services to veterinary and livestock industries in the Province; and
- a 45.5 per cent interest in Saskatchewan Entrepreneurial Fund Joint Venture, which assists with the development and growth of small business in the Province.

During 2015-16, the Board of Directors of Foragen Technologies Limited Partnership approved a motion to dissolve the partnership and liquidate the assets which resulted in a $0.1 million loss on the Government's 33.3 per cent interest.

7. Trust Funds

Trust fund assets held and administered by the Government are as follows:

(thousands of dollars)	2016	2015 (Restated)
Pension plans	13,558,070	13,490,693
Employee benefit plans	522,457	478,855
Public Guardian and Trustee of Saskatchewan	219,549	222,392
Saskatchewan Pension Annuity Fund	200,957	207,749
Other	111,219	82,119
Total Trust Fund Assets[1]	14,612,252	14,481,808

[1] Amounts are based on the latest financial statements of the funds closest to March 31, 2016, where available.

8. Contingencies

Guaranteed debt

The Government has guaranteed the debt of others of $20.0 million (2015 - $18.0 million).

Guarantees include $19.3 million (2015 - $17.1 million) provided to lenders who make loans to breeder and feeder production associations under *The Farm Financial Stability Act*.

Lawsuits

The Government is involved in various legal actions, the outcome of which is not determinable. Up to $204.1 million may be paid depending on the outcome of lawsuits in progress which include aboriginal land claims, claims for damages to persons and property and disputes of taxes and funding.

Notes to the Summary Financial Statements

9. Contractual Obligations

The Government has the following contractual obligations:

(*thousands of dollars*)							2016	2015
	2017	2018	2019	2020	2021	Thereafter	Total	Total (Restated)
Government Service Organizations								
Policing transfer agreement	175,299	179,400	173,104	177,413	181,829	2,317,008	3,204,053	3,390,048
Construction and acquisition of tangible capital assets[1]	1,340,343	688,285	397,991	181,899	-	-	2,608,518	511,250
Operation, maintenance and life cycle rehabilitation payments under P3s	5,724	7,412	12,031	16,473	45,242	1,081,423	1,168,305	80,960
Operating leases	74,458	68,785	52,781	36,546	25,578	27,666	285,814	306,616
Service agreements								
Computer service agreements	90,259	48,612	28,213	19,637	8,812	4,883	200,416	146,836
Food service agreements	7,656	7,982	8,313	8,652	2,999	-	35,602	-
Transportation service agreements	5,475	3,920	2,915	898	61	-	13,269	27,155
Housing subsidies, transfers and loans	87,412	34,135	21,070	11,036	10,284	-	163,937	221,314
Beverage container collection and recycling programs	24,039	26,566	25,290	25,298	-	-	101,193	25,266
Reinsurance Contracts	25,000	25,000	25,000	-	-	-	75,000	-
Research and development	25,409	22,283	10,705	3,899	856	126	63,278	78,545
Economic growth projects	6,701	4,901	4,901	4,901	3,490	13,325	38,219	30,545
Other transfers								
Operating	515,227	229,881	102,249	13,778	10,988	4,398	876,521	299,274
Capital	81,805	12,204	-	-	-	-	94,009	61,848
Other	11,389	5,636	4,408	162	-	5,890	27,485	31,496
	2,476,196	1,365,002	868,971	500,592	290,139	3,454,719	8,955,619	5,211,153
Government Business Enterprises								
Power purchase agreements	192,515	195,163	225,276	268,561	305,629	4,742,889	5,930,033	2,581,636
Forward purchase contracts								
Coal	156,750	212,417	218,136	217,281	214,103	1,110,054	2,128,741	1,410,166
Natural gas	95,568	88,176	85,650	89,014	83,277	191,426	633,111	699,769
Other	16,030	5,814	5,814	5,814	5,057	2,089	40,618	129,624
Construction, acquisition and maintenance of capital assets	1,215,953	144,726	62,803	34,245	7,058	6,729	1,471,514	1,270,675
Operating service agreements	239,550	-	-	-	-	-	239,550	268,185
Operating leases	15,543	12,034	9,553	8,360	5,676	15,220	66,386	63,573
Other	6,315	3,015	3,015	3,015	3,015	20,077	38,452	41,524
	1,938,224	661,345	610,247	626,290	623,815	6,088,484	10,548,405	6,465,152
Total Contractual Obligations	4,414,420	2,026,347	1,479,218	1,126,882	913,954	9,543,203	19,504,024	11,676,305

[1] Includes $2,016.7 million (2015 - $86.7 million - restated) for the portion of P3 capital construction projects that are not yet completed. Cash payments related to these projects are disclosed in schedule 9.

Notes to the Summary Financial Statements

10. Budget Presentation

The 2015-16 Saskatchewan Provincial Budget was tabled in the Legislature on March 18, 2015. Public sector accounting standards require that financial statements contain a comparison of actual and budgeted results for the year and that budgeted results should be adjusted and reported on the same basis as the actual results of the current period. Accordingly, the 2015-16 Saskatchewan Provincial Budget has been adjusted to the same basis as the 2016 actual results.

Pension Accrual

In the 2015-16 Saskatchewan Provincial Budget, the surplus is presented before an adjustment to account for pension costs on an accrual basis. These financial statements include all pension costs in total expense. Accordingly, the budget figures have been adjusted to include, in total expense, the adjustment to account for pension costs on an accrual basis.

Fifteen Months of Operations

As disclosed in note 11, the year-end of certain government organizations was changed from December 31 to March 31 to align with the Government's fiscal year, and as a result, these financial statements include 15 months of operations for these organizations. The budget figures, as presented in the 2015-16 Saskatchewan Provincial Budget, have been adjusted to include an additional three months of budgeted operations (January to March 2016) for these government organizations. The resulting 15 months of budgeted operations for these government organizations are presented on the Summary Statements of Operations, Accumulated Surplus and Change in Net Debt in these financial statements.

The following table reconciles the 2015-16 Saskatchewan Provincial Budget to the budget figures presented in these financial statements:

(thousands of dollars)	Budget[1]	Pension Accrual[2]	3 Months Ended March 31, 2016[3]	Adjusted Budget[4]
Summary Statement of Operations				
Revenue				
Taxation	6,808,100	-	-	6,808,100
Non-renewable resources	2,453,200	-	-	2,453,200
Other own-source revenue[5]	1,890,800	-	10,900	1,901,700
Transfers from the federal government	2,223,000	-	-	2,223,000
Net income from government business enterprises	904,900	-	134,800	1,039,700
Total Revenue	14,280,000	-	145,700	14,425,700
Expense				
Agriculture	721,600	-	-	721,600
Community development	531,900	-	-	531,900
Debt charges	305,100	209,000	1,300	515,400
Economic development	256,600	-	9,500	266,100
Education	3,661,000	400,900	-	4,061,900
Environment and natural resources	242,100	-	-	242,100
Health	5,507,000	(2,800)	-	5,504,200
Protection of persons and property	625,700	-	-	625,700
Social services and assistance	1,209,900	-	-	1,209,900
Transportation	544,100	-	7,500	551,600
Other	568,200	213,700	4,400	786,300
Total Expense	14,173,200	820,800	22,700	15,016,700
(Deficit) Surplus	106,800	(820,800)	123,000	(591,000)

Notes to the Summary Financial Statements

10. Budget Presentation *(continued)*

(thousands of dollars)	Budget[1]	Pension Accrual[2]	3 Months Ended March 31, 2016[3]	Adjusted Budget[4]
Summary Statement of Accumulated Surplus				
Accumulated surplus, beginning of year	3,074,362			3,074,362
(Deficit) surplus	106,800	(820,800)	123,000	(591,000)
Adjustment to account for pension costs on an accrual basis	(820,800)	820,800	-	-
Other comprehensive loss	-	-	-	-
Accumulated Surplus, End of Year	2,360,362	-	123,000	2,483,362
Summary Statement of Change in Net Debt				
(Deficit) surplus	106,800	(820,800)	123,000	(591,000)
Adjustment to account for pension costs on an accrual basis	(820,800)	820,800	-	-
Acquisition of tangible capital assets	(1,449,200)	-	(3,300)	(1,452,500)
Amortization, disposition and adjustments of tangible capital assets	550,700	-	(1,700)	549,000
(Increase) decrease in net debt	(1,612,500)	-	118,000	(1,494,500)
Net debt, beginning of year	(5,551,874)			(5,551,874)
Other comprehensive loss	-	-	-	-
Net Debt, End of Year	(7,164,374)	-	118,000	(7,046,374)

[1] Represents 12 months of operations, as presented in the 2015-16 Saskatchewan Provincial Budget.

[2] Represents the reallocation of the adjustment to account for pension costs on an accrual basis to conform with the presentation of actual results in these financial statements.

[3] Represents an additional three months of budgeted operations ending March 31, 2016 for certain government organizations, the year-end of which changed from December 31 to March 31 during the year. The budget for these three months of operations was prepared to facilitate the change in year-end of these organizations.

[4] As presented on the Summary Statements of Operations, Accumulated Surplus and Change in Net Debt in these financial statements.

[5] Budgeted other own-source revenue includes $9.1 million for fees and $1.8 million for investment income for the three months ended March 31, 2016.

Notes to the Summary Financial Statements

11. Impact of Aligning Year-Ends of Certain Government Organizations

During the year, the year-end of the following government organizations was changed from December 31 to March 31 to align with the Government's fiscal year. Accordingly, the 2015-16 results include 15 months of operations for these organizations.

Government Service Organizations

- CIC Asset Management Inc.
- CIC Economic Holdco Ltd.
- Crown Investments Corporation of Saskatchewan (separate)
- First Nations and Métis Fund Inc.
- Gradworks Inc.
- Saskatchewan Immigrant Investor Fund Inc.
- Saskatchewan Opportunities Corporation
- Saskatchewan Transportation Company

Government Business Enterprises

- Saskatchewan Auto Fund
- Saskatchewan Gaming Corporation
- Saskatchewan Government Insurance
- Saskatchewan Power Corporation
- Saskatchewan Telecommunications Holding Corporation
- Saskatchewan Water Corporation
- SaskEnergy Incorporated

The following table identifies the impact on the 2015-16 results of aligning the year-ends of these organizations:

(thousands of dollars)	For the 3 Months Ended March 31		
		2016	2015
	Budget *(note 10)*	**Actual**[1]	**Actual**[1] *(note 12)*
Revenue			
Other own-source revenue	10,900	14,180	15,370
Net income from government business enterprises	134,800	67,731	248,355
Total Revenue	145,700	81,911	263,725
Expense			
Debt charges	1,300	1,012	1,065
Economic development	9,500	9,176	10,161
Transportation	7,500	7,233	7,217
Other	4,400	3,924	2,170
Total Expense	22,700	21,345	20,613
Surplus	123,000	60,566	243,112

[1] Included in 2016 Actual on the Summary Statement of Operations.

Notes to the Summary Financial Statements

12. Comparative Information on Alignment of Year-Ends

As a result of the change in year-end of certain government organizations (*note 11*), the 2015-16 results include 15 months of operations for these organizations. To provide a comparison to the prior year, the following table adjusts the current year results to a 12-month basis:

(thousands of dollars)

			2016	2015
	Actual[1]	3 Months Ended March 31, 2015[2] (*note 11*)	12 Months Ended March 31, 2016[3]	12 Months Ended March 31, 2015
Summary Statement of Operations				
Revenue				
Taxation	6,605,304	-	6,605,304	6,511,658
Non-renewable resources	1,761,265	-	1,761,265	2,614,478
Other own-source revenue[4]	2,003,025	15,370	1,987,655	1,994,169
Transfers from the federal government	2,155,489	-	2,155,489	2,200,056
Net income from government business enterprises (*schedule 3*)[5]	1,108,612	248,355	860,257	738,362
Total Revenue (*schedule 13*)	13,633,695	263,725	13,369,970	14,058,723
Expense				
Agriculture	612,752	-	612,752	650,942
Community development	523,143	-	523,143	565,543
Debt charges (*schedule 15*)	503,571	1,065	502,506	524,841
Economic development	267,238	10,161	257,077	288,537
Education	4,034,688	-	4,034,688	3,696,407
Environment and natural resources	302,739	-	302,739	212,630
Health	5,575,163	-	5,575,163	5,276,477
Protection of persons and property	707,324	-	707,324	710,541
Social services and assistance	1,255,970	-	1,255,970	1,175,780
Transportation	538,543	7,217	531,326	561,285
Other	832,072	2,170	829,902	333,864
Total Expense (*schedule 14*)[6]	15,153,203	20,613	15,132,590	13,996,847
(Deficit) Surplus	(1,519,508)	243,112	(1,762,620)	61,876
Summary Statement of Accumulated Surplus				
Accumulated surplus, beginning of year	3,074,362		3,074,362	3,469,283
Adjustment to accumulated surplus (*note 14*)	-	-	-	(284,219)
(Deficit) surplus	(1,519,508)	243,112	(1,762,620)	61,876
Other comprehensive (loss) income (*schedule 3*)	(60,184)	(67,068)	6,884	(172,578)
Accumulated Surplus, End of Year	1,494,670	176,044	1,318,626	3,074,362

Notes to the Summary Financial Statements

12. Comparative Information on Alignment of Year-Ends *(continued)*

(thousands of dollars)

			2016	2015
	Actual[1]	3 Months Ended March 31, 2015[2] *(note 11)*	12 Months Ended March 31, 2016[3]	12 Months Ended March 31, 2015
Summary Statement of Change in Net Debt				
(Deficit) surplus	(1,519,508)	243,112	(1,762,620)	61,876
Net acquisition of tangible capital assets[7]	(759,338)	1,389	(760,727)	(534,438)
Net acquisition of other non-financial assets	(8,415)	-	(8,415)	(7,160)
Adjustment to accumulated surplus *(note 14)*	-	-	-	(284,219)
Other comprehensive (loss) income *(schedule 3)*	(60,184)	(67,068)	6,884	(172,578)
(Increase) decrease in net debt	(2,347,445)	177,433	(2,524,878)	(936,519)
Net debt, beginning of year	(5,551,874)		(5,551,874)	(4,615,355)
Net Debt, End of Year	(7,899,319)	177,433	(8,076,752)	(5,551,874)
Summary Statement of Cash Flow				
Cash (used for) provided by operating activities	(714,447)	(231,910)	(482,537)	587,547
Cash used for capital activities	(1,301,776)	(1,437)	(1,300,339)	(1,038,670)
Cash provided by (used for) investing activities	233,343	(10,434)	243,777	729,486
Cash provided by (used for) financing activities	1,394,953	422	1,394,531	(376,163)
Decrease in cash and temporary investments	(387,927)	(243,359)	(144,568)	(97,800)
Cash and temporary investments, beginning of year	1,889,675		1,889,675	1,987,475
Cash and Temporary Investments, End of Year	1,501,748	(243,359)	1,745,107	1,889,675

[1] Includes 15 months of operations ending March 31, 2016 for certain government organizations as presented on the Summary Statements of Operations, Accumulated Surplus, Change in Net Debt and Cash Flow in these financial statements.

[2] Represents three months of operations ending March 31, 2015 for certain government organizations, the year-end of which changed from December 31 to March 31 during the year.

[3] Includes 12 months of operations ending March 31, 2016 for certain government organizations, the year-end of which changed from December 31 to March 31 during the year.

[4] Other own-source revenue includes $11.2 million for fees and $4.2 million for investment income for the three months ended March 31, 2015.

[5] Net income from government business enterprises reported by government organization is as follows:

(thousands of dollars)

			2016	2015
	Actual	3 Months Ended March 31, 2015	12 Months Ended March 31, 2016	12 Months Ended March 31, 2015
Liquor and Gaming Authority	503,757	-	503,757	494,660
Saskatchewan Auto Fund	159,054	78,802	80,252	53,769
Saskatchewan Telecommunications Holding Corporation	126,708	20,822	105,886	76,407
SaskEnergy Incorporated	110,875	55,173	55,702	(33,042)
Saskatchewan Government Insurance	84,527	43,324	41,203	41,089
Saskatchewan Gaming Corporation	32,681	5,892	26,789	24,902
Saskatchewan Power Corporation	25,912	45,181	(19,269)	59,603
Saskatchewan Water Corporation	7,346	1,741	5,605	5,485
Municipal Financing Corporation of Saskatchewan	692	-	692	1,660
Workers' Compensation Board (Saskatchewan)	(8,937)	-	(8,937)	99,184
Adjustments	65,997	(2,580)	68,577	(85,355)
Net Income from Government Business Enterprises *(schedule 3)*	1,108,612	248,355	860,257	738,362

Notes to the Summary Financial Statements

12. Comparative Information on Alignment of Year-Ends *(continued)*

[6] Expense by object is as follows:

(thousands of dollars)		2016	2015
	Actual	3 Months Ended March 31, 2015	12 Months Ended March 31, 2016	12 Months Ended March 31, 2015
Salaries and benefits	7,154,845	7,935	7,146,910	6,021,055
Transfers	4,399,005	-	4,399,005	4,403,259
Operating costs	2,495,754	5,591	2,490,163	2,501,432
Amortization of tangible capital assets (*schedule 12*)	542,100	2,826	539,274	514,561
Debt charges (*schedule 15*)	503,571	1,065	502,506	524,841
Other	57,928	3,196	54,732	31,699
Total Expense (*schedule 14*)	15,153,203	20,613	15,132,590	13,996,847

[7] The net acquisition of tangible capital assets for the three months ended March 31, 2015 includes tangible capital asset acquisitions of $1.4 million net of annual amortization of $2.8 million.

13. Change in Accounting Policy

During 2015-16, the Government changed its accounting policy for equity investments subject to significant influence to align with Canadian public sector accounting standards, which resulted in a decrease in other investments of $20.2 million and a corresponding increase in the deficit. Comparative figures have not been restated.

14. Adjustment to Accumulated Surplus

During 2014-15, the accumulated surplus was reduced by $284.2 million. The Government adopted PS 3260, *Liabilities for Contaminated Sites*, resulting in the recognition of liabilities for the remediation of contaminated sites. Accordingly, the government recorded an increase in other liabilities of $266.0 million and a corresponding decrease in the opening accumulated surplus. In addition, a government business enterprise changed its accounting policy for the recognition of certain revenues, which resulted in a decrease in its accounts receivable and retained earnings. Accordingly, the government recorded an $18.2 million decrease in investment in government business enterprises and a corresponding decrease in the opening accumulated surplus.

15. Subsequent Event

On June 29, 2016, the Workers' Compensation Board announced a distribution to employers of $281.5 million to be paid during 2016-17.

16. Comparative Figures

Certain 2015 comparative figures have been reclassified to conform with the current year's presentation.

Accounts Receivable

Schedule 1

As at March 31, 2016

(thousands of dollars)

	2016	2015
Taxation	419,134	422,773
Non-renewable resources	104,902	202,863
Other own-source revenue	612,517	559,785
Transfers from the federal government	356,372	360,156
	1,492,925	1,545,577
Provision for loss	(115,729)	(111,325)
Total Accounts Receivable	1,377,196	1,434,252

Loans Receivable

Schedule 2

As at March 31, 2016

(thousands of dollars)

	2016	2015
Government business enterprises	298,874	352,386
Student loans	156,240	146,136
Affordable housing loans	93,359	87,949
Other	16,208	24,635
	564,681	611,106
Provision for loss	(68,954)	(67,439)
Total Loans Receivable	495,727	543,667

Government Business Enterprises

Loans to government business enterprises are presented net of government business enterprise specific debt of $7.6 billion (2015 - $6.9 billion).

SaskEnergy Incorporated (SaskEnergy)

The Government has $120.0 million (2015 - $120.0 million) in loans receivable from SaskEnergy repayable over terms not exceeding 24 years and bearing interest at rates between 4.5 and 4.8 per cent (2015 - 4.5 and 4.8 per cent). The loans are recorded net of $10.4 million (2015 - $8.9 million) for SaskEnergy's equity in sinking funds administered by the Government.

Municipal Financing Corporation of Saskatchewan (MFC)

The Government has $100.0 million (2015 - $100.0 million) in loans receivable from MFC repayable over terms not exceeding 29 years and bearing interest at 3.9 per cent (2015 - 3.9 per cent). The loans are recorded net of $2.0 million (2015 - $1.0 million) for MFC's equity in sinking funds administered by the Government.

Saskatchewan Power Corporation (SaskPower)

The Government has $100.0 million (2015 - $100.0 million) in loans receivable from SaskPower repayable over 24 years and bearing interest at 4.8 per cent (2015 - 4.8 per cent). The loans are recorded net of $8.7 million (2015 - $7.4 million) for SaskPower's equity in sinking funds administered by the Government.

Other

At March 31, 2015 the Government had $49.7 million in loans receivable from other government business enterprises repayable on demand at a floating rate of interest. These loans were paid in full in the current year.

Student Loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest free until the discontinuance of full-time studies or graduation. Interest rates are prescribed by the Government and range between 2.7 and 6.5 per cent (2015 - 2.9 and 8.7 per cent). Student bursaries, study grants and other varieties of loan forgiveness are available to students who meet specific criteria.

The administration and delivery of the federal and provincial student loans programs is integrated. The Government approves applications for both provincial and federal loans. External agencies are contracted to disburse, administer and collect loans, and the federal government is responsible for collection of loans in default.

A loss provision of $61.6 million (2015 - $59.3 million) has been recorded on these loans.

Loans Receivable *(continued)*

Schedule 2

Affordable Housing Loans

Headstart on a home loan program

The Government holds $88.3 million (2015 - $82.4 million) in loans receivable from various builders and developers that are used to construct entry level housing units. The loans are repayable at terms not exceeding 24 months and bear interest at 4.0 per cent (2015 - 4.0 per cent). A loss provision of $4.4 million (2015 - $3.7 million) has been recorded on these loans.

Other housing loans

The Government holds $5.0 million (2015 - $5.5 million) in loans receivable under various housing programs. These loans are repayable at terms not exceeding 10 years and bear interest at rates between 2.2 and 5.1 per cent (2015 - 2.2 and 5.8 per cent). A loss provision of $0.6 million (2015 - $0.6 million) has been recorded on these loans.

Other

The Government's loan portfolio also consists of numerous other loans at various interest rates and maturities. Security on the loans varies and may include promissory notes, mortgages on real property, security agreements or guarantees. A loss provision of $2.4 million (2015 - $3.8 million) has been recorded on these loans.

Investment in Government Business Enterprises

As at March 31, 2016

(thousands of dollars)

	SaskEnergy[1]	SaskPower[1]	SaskTel[1]	SaskWater[1]	SGI[1]
Assets					
Cash and cash equivalents	11,127	28,437	16,099	7,192	26,853
Accounts receivable	104,264	411,264	132,788	9,097	196,691
Inventories	97,325	211,502	24,627	676	-
Prepaid expenses	-	15,963	42,696	415	104,405
Investments	-	40,142	3,056	-	858,342
Capital assets	2,068,138	9,139,999	1,594,338	296,724	23,861
Intangible assets	57,566	53,503	301,054	-	-
Sinking funds (*schedule 7*)	101,257	532,468	129,497	14,769	-
Other assets	10,890	484	8,906	-	3,048
Total Assets[4]	2,450,567	10,433,762	2,253,061	328,873	1,213,200
Liabilities					
Accounts payable and accrued liabilities	100,295	398,720	158,190	8,536	63,913
Dividends payable to government organizations	20,736	-	7,500	190	22,250
Gross debt (*schedule 7*)	1,269,805	6,111,294	1,006,487	62,417	-
Unearned revenue	67,420	22,671	116,660	199,110	322,695
Provision for insurance claims	-	-	-	-	440,754
Other liabilities[6]	252,532	1,755,221	167,880	1,986	23,630
Total Liabilities[4]	1,710,788	8,287,906	1,456,717	272,239	873,242
Net Assets (Debt)	739,779	2,145,856	796,344	56,634	339,958
Revenue					
Operating	1,069,438	2,894,026	1,578,934	58,988	787,005
Investment income	-	1,762	1,966	15	45,956
Total Revenue[4]	1,069,438	2,895,788	1,580,900	59,003	832,961
Expense					
Operating	902,680	2,401,408	1,407,400	50,110	332,497
Insurance claims	-	-	-	-	415,032
Debt charges[5]	55,883	468,468	46,792	1,547	905
Total Expense[4]	958,563	2,869,876	1,454,192	51,657	748,434
Income (loss) before non-recurring items	110,875	25,912	126,708	7,346	84,527
Non-recurring items	-	-	-	-	-
Net Income (Loss)	110,875	25,912	126,708	7,346	84,527
Retained earnings (deficit), beginning of year	623,337	1,520,529	512,171	42,522	229,732
Adjustment to retained earnings (deficit) (*note 14*)	-	-	-	-	-
Dividends to government organizations	(64,736)	-	(37,500)	(1,929)	(47,250)
Retained earnings, end of year	669,476	1,546,441	601,379	47,939	267,009
Accumulated other comprehensive (loss) income, beginning of year	(1,170)	(3,177)	(49,149)	(21)	(5,219)
Other comprehensive loss	(58)	(57,401)	(5,886)	16	(1,832)
Accumulated other comprehensive loss, end of year	(1,228)	(60,578)	(55,035)	(5)	(7,051)
Equity advances from government organizations	71,531	659,993	250,000	8,700	80,000
Net Assets (Debt)	739,779	2,145,856	796,344	56,634	339,958

[1] Represents 15 months of operations (*notes 11 and 12*).

[2] Net assets are restricted as disclosed on page 68.

[3] Adjustments primarily include: the elimination of unrealized inter-organizational gains and losses; and significant intervening period transactions.

[4] Total assets include $905.7 million (2015 - $816.7 million - restated) due from or invested in government organizations; total liabilities include $8,733.0 million (2015 - $7,778.6 million) in gross debt owing to government organizations and $330.5 million (2015 - $313.2 million - restated) in accounts payable or services due from government organizations; total revenue includes $338.6 million (2015 - $316.6 million) from government organizations; and total expense includes $835.1 million (2015 - $555.0 million - restated) paid and owing to government organizations.

[5] Debt charges is reported net of sinking fund earnings. Interest in the amount of $351.8 million (2015 - $168.0 million - restated) was paid and owing to government organizations.

Schedule 3

Auto Fund[1,2]	WCB[2]	SLGA	SGC[1]	MFC	Adjustments[3]	2016 Total	2015 Total
39,146	93,219	42,362	17,721	16,942	-	299,098	302,812
226,747	20,765	63,651	205	2,827	-	1,168,299	1,145,858
3,958	-	32,696	283	-	-	371,067	417,227
35,689	489	1,585	435	-	-	201,677	155,997
2,027,389	1,953,853	-	-	224,245	-	5,107,027	4,837,814
40,239	10,052	107,240	59,062	-	(7,930)	13,331,723	12,474,006
-	22,508	29,405	-	-	-	464,036	445,421
-	-	-	-	5,544	-	783,535	683,139
-	862	-	-	-	-	24,190	40,096
2,373,168	2,101,748	276,939	77,706	249,558	(7,930)	21,750,652	20,502,370
51,836	30,016	22,503	16,378	1,207	-	851,594	1,136,274
-	-	105,325	4,660	-	-	160,661	94,196
-	-	105,000	1,266	235,184	-	8,791,453	7,844,875
384,294	-	-	-	-	(27,379)	1,085,471	1,099,655
1,559,861	1,138,919	-	-	-	-	3,139,534	3,116,530
-	206,627	49,555	6,443	-	-	2,463,874	2,317,088
1,995,991	1,375,562	282,383	28,747	236,391	(27,379)	16,492,587	15,608,618
377,177	726,186	(5,444)	48,959	13,167	19,449	5,258,065	4,893,752
1,202,767	305,659	1,113,533	158,193	-	(5,417)	9,163,126	7,541,800
111,752	106,296	-	-	9,143	-	276,890	371,984
1,314,519	411,955	1,113,533	158,193	9,143	(5,417)	9,440,016	7,913,874
221,119	85,671	609,062	124,481	49	7,486	6,141,963	5,322,113
934,346	194,231	-	-	-	-	1,543,609	1,418,212
-	-	714	1,031	8,402	-	583,742	355,298
1,155,465	279,902	609,776	125,512	8,451	7,486	8,269,314	7,095,623
159,054	132,053	503,757	32,681	692	(12,903)	1,170,702	818,251
-	(140,990)	-	-	-	78,900	(62,090)	(79,889)
159,054	(8,937)	503,757	32,681	692	65,997	1,108,612	738,362
218,123	737,805	5,445	42,422	12,475	(46,555)	3,898,006	3,787,529
-	-	-	-	-	-	-	(18,201)
-	-	(506,556)	(26,144)	-	-	(684,115)	(609,684)
377,177	728,868	2,646	48,959	13,167	19,442	4,322,503	3,898,006
-	(4,072)	(11,677)	-	-	-	(74,485)	98,093
-	1,390	3,587	-	-	-	(60,184)	(172,578)
-	(2,682)	(8,090)	-	-	-	(134,669)	(74,485)
-	-		-	-	7	1,070,231	1,070,231
377,177	726,186	(5,444)	48,959	13,167	19,449	5,258,065	4,893,752

[b] Includes capital lease obligations of $1,144.5 million (2015 - $1,143.0 million) with the following payment schedule:

(thousands of dollars)	2016	2015
2015-16	-	169,375
2016-17	173,997	172,873
2017-18	177,568	176,463
2018-19	181,237	180,112
2019-20	186,971	183,832
2020-21	187,650	-
Thereafter	2,264,622	2,452,272
	3,172,065	3,334,927
Less interest and executory costs	(2,027,549)	(2,191,961)
Capital Leases[a]	1,144,516	1,142,966

[a] Capital leases bear interest at rates between 0.9 and 15.8 per cent (2015 - 0.9 and 15.8 per cent) and have expiry dates between 0.6 and 20.6 years (2015 - 19.8 and 21.6 years).

Investment in Government Business Enterprises *(continued)* Schedule 3

The investment in government business enterprises is comprised of the Government's equity in the entities listed below. The financial statements of these entities are prepared in accordance with International Financial Reporting Standards.

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy distributes, transports and stores natural gas in Saskatchewan while promoting its safe use as well as energy conservation.

Saskatchewan Power Corporation (SaskPower)

SaskPower supplies, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of wireless, voice, entertainment, internet, data, equipment, print and online advertising, security and consulting products and services.

Saskatchewan Water Corporation (SaskWater)

SaskWater provides reliable and professional water and wastewater services to Saskatchewan communities as well as to industrial and commercial customers.

Saskatchewan Government Insurance (SGI) and Saskatchewan Auto Fund (Auto Fund)

SGI's fully competitive general insurance business, SGI CANADA, offers a comprehensive line of property and casualty insurance products such as home, farm, business and automobile extension in five Canadian provinces.

The Auto Fund, administered by SGI on behalf of the Government, is the Province's compulsory vehicle insurance program which operates the driver's licensing and vehicle registration system. Any net assets of the Auto Fund are held on behalf of Saskatchewan's motoring public and cannot be used for any other purpose.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation programs and services to Saskatchewan workers and employers. Any net assets of the WCB cannot be used for any other purpose.

Liquor and Gaming Authority (SLGA)

SLGA's mandate is to promote economic growth through the socially responsible distribution, management, operation and regulation of liquor and gaming across the Province.

To fulfill its mandate, SLGA operates retail liquor stores and regulates all liquor-permitted premises in the Province. It also directly manages the majority of the Provinces's electronic gaming machines, including video lottery terminals and slot machines at Saskatchewan Indian Gaming Authority casinos.

Saskatchewan Gaming Corporation (SGC)

SGC owns and operates Casino Regina and Casino Moose Jaw.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Other Investments

Schedule 4

As at March 31, 2016

(thousands of dollars)

	2016	2015
Bonds and debentures	165,937	342,186
Pooled investment funds	139,116	142,400
Equities[1]	14,578	37,269
Other	88,326	82,722
Total Other Investments[2]	407,957	604,577

[1] A change in accounting policy in 2015-16 resulted in a $20.2 million decrease in the value of equities. Comparative figures have not been restated (*note 13*).

[2] Includes $10.7 million (2015 - $14.8 million) restricted as a result of agreements with external parties.

Bonds and Debentures

Bonds and debentures held by the Government have a market value of $170.4 million (2015 - $349.6 million), and include securities of:

	2016	2015
Corporations (coupon interest range 1.7% to 8.9%; maturing in 1.0 to 26.4 years)	93,274	179,452
Governments of other provinces (coupon interest range nil to 4.7%; maturing in 1.0 to 27.9 years)	33,201	123,247
Government of Canada (coupon interest range 0.5% to 5.0%; maturing in 1.1 to 29.9 years)	27,774	26,144
Government of Saskatchewan (coupon interest 5.8%; maturing in 13.2 years)	1,319	2,821
Other (coupon interest range 3.6% to 5.0%; maturing in 1.5 to 25.5 years)	10,369	10,522
Total Bonds and Debentures	165,937	342,186

Pooled Investment Funds

Pooled investment funds represent the Government's investment in units of various funds consisting primarily of debt and equities.

Equities

Equities include $2.5 million (2015 - $3.7 million) invested in shares of private companies and $12.1 million (2015 - $33.6 million) invested in Canadian and international equity markets for which the quoted market value is $83.1 million (2015 - $94.9 million).

Other

Other includes various fixed rate securities having a market value of $86.9 million (2015 - $81.1 million).

Accounts Payable and Accrued Liabilities

Schedule 5

As at March 31, 2016

(thousands of dollars)

	2016	2015
Accrued salaries and benefits[1]	770,023	730,680
Transfers[2]	511,380	622,624
Supplier payments	361,924	386,632
Federal government repayments[3]	263,881	289,681
Accrued interest	53,055	45,395
Other	139,537	149,518
Total Accounts Payable and Accrued Liabilities	2,099,800	2,224,530

[1] Includes other employee future benefits of $304.0 million (2015 - $313.2 million).

[2] Includes transfers payable to the federal government of $108.1 million (2015 - $159.6 million) and transfers payable for capital of $12.5 million (2015 - $30.0 million).

[3] Includes amounts repayable for income taxes, Equalization and Canada Health and Social Transfers.

Unearned Revenue

Schedule 6

As at March 31, 2016

(thousands of dollars)

	2016	2015
Motor vehicle licensing fees	59,278	63,680
Education	52,896	54,902
Health	29,786	27,481
Transfers from the federal government	15,511	35,000
Crown mineral leases	8,859	26,978
Other	34,893	32,691
Total Unearned Revenue	201,223	240,732

Public Debt

Schedule 7

As at March 31, 2016

(thousands of dollars)

	2016			2015		
	General Debt[1,2,3]	Government Business Enterprise Specific Debt[2]	Public Debt	General Debt[1,2,3]	Government Business Enterprise Specific Debt[2]	Public Debt
General Revenue Fund						
Operating	4,098,562	-	4,098,562	3,799,970	-	3,799,970
Saskatchewan Builds Capital Plan[4]	700,000	-	700,000	-	-	-
Saskatchewan Power Corporation[5]	91,315	5,451,121	5,542,436	92,594	4,848,728	4,941,322
SaskEnergy Incorporated[5]	109,612	1,053,274	1,162,886	111,142	1,007,305	1,118,447
Saskatchewan Telecommunications Holding Corporation[5]	-	883,679	883,679	26,000	806,988	832,988
Municipal Financing Corporation of Saskatchewan[5]	97,947	132,426	230,373	98,970	137,764	236,734
Boards of Education	194,136	-	194,136	179,423	-	179,423
Saskatchewan Immigrant Investor Fund Inc.	185,282	-	185,282	198,267	-	198,267
Liquor and Gaming Authority[5]	-	104,678	104,678	-	119,476	119,476
Regional Health Authorities	101,410	-	101,410	99,590	-	99,590
Water Security Agency	47,678	-	47,678	33,235	-	33,235
Saskatchewan Water Corporation[5]	-	47,444	47,444	23,680	20,905	44,585
Saskatchewan Opportunities Corporation	33,878	-	33,878	34,334	-	34,334
Global Transportation Hub Authority	24,000	-	24,000	17,000	-	17,000
Saskatchewan Housing Corporation	21,851	-	21,851	24,722	-	24,722
Other	1,955	1,266	3,221	2,257	2,862	5,119
Public Debt[1,6]	5,707,626	7,673,888	13,381,514	4,741,184	6,944,028	11,685,212

1 Public debt on the Statement of Financial Position includes only general debt.

2 General debt and government business enterprise specific debt are presented net of sinking funds (*see footnote 6*).

3 General debt includes $108.1 million (2015 - $107.2 million - restated) secured primarily by assets with a carrying value of $102.2 million (2015 - $114.9 million - restated).

4 General Revenue Fund - Saskatchewan Builds Capital Plan consists of amounts borrowed by the General Revenue Fund to finance investment in infrastructure assets as presented in the 2015-16 Saskatchewan Provincial Budget.

5 Public debt of government business enterprises includes both general debt and government business enterprise specific debt. General debt of government business enterprises represents amounts transferred from the General Revenue Fund to government business enterprises and recorded as loans receivable (*schedule 2*). Government business enterprise specific debt represents debt issued by, or specifically on behalf of, government business enterprises.

Schedule 3 provides information on government business enterprises as presented in their audited financial statements closest to March 31, 2016. For government business enterprise general debt and debt borrowed by the General Revenue Fund specifically on behalf of government business enterprises the amounts shown above have been adjusted to reflect Canadian public sector accounting standards as follows:

	Government Business Enterprise Debt *(schedule 3)*[a]	Adjustments	2016 Public Debt	2015 Public Debt
Saskatchewan Power Corporation	5,578,826	(36,390)	5,542,436	4,941,322
SaskEnergy Incorporated	1,168,548	(5,662)	1,162,886	1,118,447
Saskatchewan Telecommunications Holding Corporation	876,990	6,689	883,679	832,988
Municipal Financing Corporation of Saskatchewan	229,640	733	230,373	236,734
Liquor and Gaming Authority	105,000	(322)	104,678	119,476
Saskatchewan Water Corporation	47,648	(204)	47,444	44,585
Other	1,266	-	1,266	2,862
Total Government Business Enterprises	8,007,918	(35,156)	7,972,762	7,296,414

[a] Includes gross debt net of sinking funds reported on schedule 3.

Public Debt *(continued)*

Schedule 7

[6] Included in public debt is U.S. dollar debt converted to $291.8 million Canadian (2015 - $285.4 million) net of U.S. dollar sinking funds converted to $300.6 million Canadian (2015 - $289.2 million) at the exchange rate in effect at March 31, 2016 of 1.2971 (2015 - 1.2683).

Public debt is comprised of gross debt net of sinking funds as follows:

			2016
	Gross Debt [a]	Sinking Funds *(schedule 8)*	Public Debt
General Revenue Fund			
Operating	4,971,871	(873,309)	4,098,562
Saskatchewan Builds Capital Plan	700,000	-	700,000
Saskatchewan Power Corporation	6,083,797	(541,361)	5,542,436
SaskEnergy Incorporated	1,265,562	(102,676)	1,162,886
Saskatchewan Telecommunications Holding Corporation	1,015,831	(132,152)	883,679
Municipal Financing Corporation of Saskatchewan	236,000	(5,627)	230,373
Boards of Education	194,136	-	194,136
Saskatchewan Immigrant Investor Fund Inc.	185,282	-	185,282
Liquor and Gaming Authority	104,678	-	104,678
Regional Health Authorities	101,410	-	101,410
Water Security Agency	47,678	-	47,678
Saskatchewan Water Corporation	62,417	(14,973)	47,444
Saskatchewan Opportunities Corporation	36,684	(2,806)	33,878
Global Transportation Hub Authority	24,000	-	24,000
Saskatchewan Housing Corporation	54,331	(32,480)	21,851
Other	3,221	-	3,221
Public Debt	15,086,898	(1,705,384)	13,381,514

[a] The average effective interest rate on gross debt during 2015-16 was 4.3 per cent (2014-15 - 4.6 per cent) and includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures. The average term to maturity of gross debt is 14.3 years (2015 - 13.6 years).

Debt principal payment requirements in each of the next five years and thereafter are as follows:

Year of Maturity	2016	2015
Short-term promissory notes	1,899,144	1,608,865
2015-16	-	594,656
2016-17	657,798	575,723
2017-18	405,067	409,878
2018-19	672,502	674,982
2019-20	220,672	215,812
2020-21	1,046,909	-
6-10 years	2,152,840	2,570,424
Thereafter	8,031,966	6,648,998
Gross debt [a]	15,086,898	13,299,338
Sinking funds	(1,705,384)	(1,614,126)
Public Debt	13,381,514	11,685,212

[a] Gross debt includes Canada Pension Plan debentures of $745.1 million (2015 - $745.1 million). These debentures are callable in whole or in part before maturity, at the option of the Minister of Finance of Saskatchewan.

Sinking Funds

Schedule 8

As at March 31, 2016

(thousands of dollars)

	2015 Sinking Funds	Contributions[1]	Earnings[2]	Redemptions[3]	Currency Adjustment	2016 Sinking Funds
General Revenue Fund - Operating	861,422	38,289	22,521	(55,441)	6,518	873,309
Saskatchewan Power Corporation	481,709	42,501	17,151	-	-	541,361
Saskatchewan Telecommunications Holding Corporation	118,605	9,366	4,181	-	-	132,152
SaskEnergy Incorporated	97,071	9,612	3,082	(7,089)	-	102,676
Saskatchewan Housing Corporation	30,908	520	1,052	-	-	32,480
Saskatchewan Water Corporation	17,795	1,161	417	(4,400)	-	14,973
Municipal Financing Corporation of Saskatchewan	4,266	2,004	69	(712)	-	5,627
Saskatchewan Opportunities Corporation	2,350	367	89	-	-	2,806
Total Sinking Funds[4]	1,614,126	103,820	48,562	(67,642)	6,518	1,705,384

[1] Annual contributions, established by Order in Council, are typically set at not less than one per cent of debentures outstanding, however minimum contribution levels of two per cent have been established for certain debenture issues. The aggregate amount of contributions estimated to be required in each of the next five years and thereafter to meet sinking fund requirements by debt classification (*see footnote 4*) are as follows:

	2017	2018	2019	2020	2021	Thereafter	Total
General debt	55,679	55,443	53,843	52,334	51,329	733,833	1,002,461
Government business enterprise specific debt	64,572	64,175	63,411	63,036	62,645	1,045,751	1,363,590
Total Sinking Funds	120,251	119,618	117,254	115,370	113,974	1,779,584	2,366,051

[2] Sinking fund earnings include gains on investment sales of $15.3 million (2015 - $55.4 million).

[3] The redemption value is based on the market value of the sinking fund units at the date of redemption.

[4] The market value of total sinking funds is $1,679.8 million (2015 - $1,637.9 million). Total sinking funds by debt classification are as follows:

	2015 Sinking Funds	Contributions	Earnings	Redemptions	Currency Adjustment	2016 Sinking Funds
General debt	911,974	42,376	24,294	(55,441)	6,518	929,721
Government business enterprise specific debt	702,152	61,444	24,268	(12,201)	-	775,663
Total Sinking Funds	1,614,126	103,820	48,562	(67,642)	6,518	1,705,384

Sinking fund assets have been invested as follows:

	2016	2015
Long-term investments[a] in securities of:		
Governments of other provinces (coupon interest range 1.1% to 4.4%; maturing in 1.6 to 30.4 years)	630,323	398,321
Government of Saskatchewan (coupon interest range 2.0% to 6.4%; maturing in 2.9 to 30.7 years)	368,644	414,536
Cash, short-term investments and accrued interest	706,417	801,269
Total Sinking Funds[b]	1,705,384	1,614,126

[a] The average yield to maturity on long-term investments at March 31, 2016 was 2.8 per cent (2015 - 2.8 per cent).

[b] Includes U.S. dollar cash, investments and accrued interest converted to $300.6 million Canadian (2015 - $289.2 million) at the exchange rate in effect at March 31, 2016 of 1.2971 (2015 - 1.2683).

Obligations Under Long-Term Financing Arrangements

Schedule 9

As at March 31, 2016

(thousands of dollars)

	2016	2015
Obligations under long-term financing arrangements, beginning of year	37,308	-
Additions	407,446	37,308
Payments	(14,929)	-
Obligations Under Long-Term Financing Arrangements, End of Year	429,825	37,308

The Government has entered into public private partnerships (P3s) to design, build, finance and maintain certain tangible capital assets. The construction on all P3 projects is in progress. The details of the contracts for these projects are as follows:

Project	Partner	Date Contract Entered	Date of Expected Completion	Length of Contract	Percentage of Completion	Discount Rate	Obligation 2016	Obligation 2015
18 Elementary Schools	Joint-Use Mutual Partnership	August 2015	June 2017	32 years	31.48%	3.05%	142,612	-
Regina Bypass	Regina Bypass Partners	July 2015	October 2019	34 years	8.20%	3.10%	127,270	-
Swift Current Long-Term Care Facility	Plenary Health Swift Current Limited Partnership	September 2014	April 2016	32 years	96.20%	3.50%	119,238	37,308
Saskatchewan Hospital North Battleford	Access Prairies Partnership	August 2015	June 2018	33 years	16.74%	3.25%	40,705	-
Total Obligations Under Long-Term Financing Arrangements							429,825	37,308

The Government has the following payment schedule related to its P3 financing arrangements:

		Contractual Obligation[1]		2016	2015
	Obligation[2]	Construction & Acquisition of Tangible Capital Assets	Operation, Maintenance & Life Cycle Rehabilitation	Total	Total
2016-17	189,151	19,974	5,724	214,849	7,401
2017-18	117,237	62,235	7,412	186,884	8,116
2018-19	6,364	28,448	12,032	46,844	8,170
2019-20	22,762	608,125	16,473	647,360	8,244
2020-21	6,365	75,885	45,242	127,492	-
Thereafter	159,643	1,994,942	1,081,422	3,236,007	247,506
	501,522	2,789,609	1,168,305	4,459,436	279,437
Less interest costs	(71,697)	(772,911)	-	(844,608)	(74,529)
Total	429,825	2,016,698	1,168,305	3,614,828	204,908

[1] Represents the contractual obligation for: the capital portion of the project that is not yet completed, and operation, maintenance and life cycle rehabilitation payments for the duration of the contract (*as reported in note 9*).

[2] Represents the liability recorded for the portion of the project completed (*as reported above*).

Pension Liabilities

Schedule 10

As at March 31, 2016

(thousands of dollars)

	TSP[1]	PSSP	Others	2016 Total	2015 Total
Accrued benefit obligation, beginning of year	6,912,892	2,233,102	380,746	9,526,740	8,164,302
Current period benefit cost	9,801	817	15,470	26,088	25,564
Interest cost	176,538	53,525	13,035	243,098	282,583
Actuarial (gains) losses	(608,162)	(190,944)	(31,399)	(830,505)	1,664,619
Joint defined benefit plan (SHEPP)[2]	-	-	(4,066)	(4,066)	(119,482)
Benefit payments	(345,334)	(129,626)	(15,462)	(490,422)	(490,846)
Accrued Benefit Obligation, End of Year	6,145,735	1,966,874	358,324	8,470,933	9,526,740
Plan assets, beginning of year	410,147	-	124,713	534,860	630,434
Employer contributions	251,399	129,528	13,200	394,127	356,903
Employee contributions	1,991	98	3,284	5,373	5,321
Return on plan assets	15,186	-	7,567	22,753	28,538
Actuarial gains	20,641	-	869	21,510	4,510
Benefit payments	(345,334)	(129,626)	(15,462)	(490,422)	(490,846)
Plan Assets, End of Year[3]	354,030	-	134,171	488,201	534,860
	5,791,705	1,966,874	224,153	7,982,732	8,991,880
Unamortized estimation adjustments[4]	(227,134)	190,944	(24,465)	(60,655)	(1,914,803)
Total Pension Liabilities[5]	5,564,571	2,157,818	199,688	7,922,077	7,077,077

[1] The TSP had an actual rate of return on plan assets of 2.2 per cent (2015 - 11.0 per cent).

[2] The joint defined benefit plan includes only the Government's employer portion of the pension liability. At December 31, 2015, the SHEPP had a total accrued benefit obligation o $5,776.8 million (2014 - $5,250.5 million), pension fund assets at market related values of $5,583.6 million (2014 - $5,018.3 million) and unamortized estimation adjustment losses of $408.9 million (2014 - $223.7 million). The pension liability would increase by $826.1 million or would decrease by $664.3 million if the discount rate was decreased or increased by one percentage point respectively. The market value of the pension fund investments was $5,920.0 million (2014 - $5,407.8 million). The plan assets had an actual rate of return of 8.2 per cent (2014 - 11.6 per cent). The Government and member contributions to the plan totalled $151.2 million (2014 - $148.1 million) and $155.3 million (2014 - $146.9 million) respectively. Benefit payments from the plan totalled $261.1 million (2014 - $232.2 million).

[3] At March 31, 2016, the market value of defined benefit plan investments was $530.0 million (2015 - $603.9 million).

[4] Unamortized estimation adjustments are amortized to pension expense commencing in the year following the adjustment: 2.3 to 3.5 years for the TSP; in the year following for the PSSP; and up to 12 years for the other plans. These represent the expected average remaining service life of active plan members at the time the estimation adjustments arose.

[5] The total pension liabilities are based on the latest actuarial valuations extrapolated to March 31, 2016 for the defined benefit plans and December 31, 2015 for the joint defined benefit plan. Changes in assumptions can result in significantly higher or lower estimates of pension liabilities. A one percentage point decrease in the discount rate would result in a $942.3 million and $238.2 million increase in the pension liabilities for the TSP and the PSSP respectively, and a one percentage point increase would result in a $765.5 million and $197.9 million decrease in the pension liabilities for the TSP and the PSSP respectively.

Other Liabilities

Schedule 11

As at March 31, 2016

(thousands of dollars)

	2016	2015
Contaminated sites	292,816	312,365
Funds held on behalf of government business enterprises and others	153,804	162,039
Capital leases	73,371	61,370
Other	78,542	57,581
Total Other Liabilities	598,533	593,355

Contaminated Sites

Abandoned mines

The Government is responsible for remediation of certain abandoned uranium and precious and base metal mines on Crown land. For most of these abandoned mines, the companies that caused the contamination no longer exist. The contaminated sites liabilities include $204.8 million (2015 - $218.9 million) for the remediation of uranium mines, primarily the Gunnar and Lorado sites, and is net of expected recoveries of $11.2 million (2015 - $11.2 million). The Gunnar site has building debris, tailings and waste rock that contain radiation, and surface and ground water with elevated concentrations of uranium and several other elements. Lorado has radioactive tailings and 35 satellite uranium mine sites have issues including acidic water conditions and elevated radiation in exposed waste rock. The contaminated sites liabilities also include $28.9 million (2015 - $31.9 million) related to precious and base metal mines, which have several contaminants in soil, sediment and surface water from waste rock, tailings and concentrates.

Industrial operations

The Province has provided a $47.8 million (2015 - $49.4 million) indemnity for environmental liabilities predating 1986 related to the industrial operations of the ERCO Worldwide chemical plant and the Prince Albert pulp mill site. The chemical plant has excessive mercury levels in the soil throughout the site. The pulp mill site has excessive contaminants in a landfill waste area.

Other contaminated sites

The Government also has $11.3 million (2015 - $12.2 million) of other contaminated sites liabilities, mainly related to the storage of road salt and fuel.

Funds Held on Behalf of Government Business Enterprises (GBEs) and Others

Funds held on behalf of GBEs and others includes $55.5 million (2015 - $74.6 million) for GBEs.

Capital Leases

The Government has the following payment schedule related to its capital leases:

	2016	2015
2015-16	-	12,612
2016-17	16,304	10,482
2017-18	14,605	9,006
2018-19	13,680	9,130
2019-20	11,692	6,543
2020-21	8,643	-
Thereafter	59,284	65,609
	124,208	113,382
Less interest and executory costs	(50,837)	(52,012)
Capital Leases[1]	73,371	61,370

[1] Capital leases bear interest at rates between 0.1 and 7.8 per cent (2015 - 0.1 and 7.6 per cent) and have expiry dates between 0.2 and 16.6 years (2015 - 0.4 and 17.6 years).

Tangible Capital Assets

Schedule 12

As at March 31, 2016

(thousands of dollars)

	Land & Improvements	Buildings & Improvements	Machinery & Equipment	Transportation Equipment	Office & Information Technology	Infrastructure	2016 Total	2015 Total
Estimated useful life (in years)	*3 - indefinite*	*2-80*	*2-33*	*3-40*	*2-25*	*5-100*		
Opening Net Book Value of Tangible Capital Assets	552,480	3,808,100	334,156	240,938	334,742	3,126,739	8,397,155	7,862,717
Opening cost	619,607	6,950,517	1,234,009	550,711	901,267	5,476,058	15,732,169	14,802,248
Acquisitions[1]	64,960	555,755	74,151	32,864	110,012	495,070	1,332,812	1,069,787
Write-downs[1]	(3,336)	(4,688)	(9,394)	(2,121)	(19,167)	-	(38,706)	(19,247)
Disposals[1]	(4,073)	(40,635)	(22,663)	(26,965)	(29,668)	(41,531)	(165,535)	(120,619)
Closing Cost[2]	677,158	7,460,949	1,276,103	554,489	962,444	5,929,597	16,860,740	15,732,169
Opening accumulated amortization	67,127	3,142,417	899,853	309,773	566,525	2,349,319	7,335,014	6,939,531
Annual amortization[1]	5,941	193,278	70,429	34,628	82,136	155,688	542,100	514,561
Write-downs[1]	(322)	(1,375)	(7,853)	(2,070)	(6,698)	-	(18,318)	(18,319)
Disposals[1]	(135)	(38,435)	(21,029)	(24,978)	(28,441)	(41,531)	(154,549)	(100,759)
Closing Accumulated Amortization	72,611	3,295,885	941,400	317,353	613,522	2,463,476	7,704,247	7,335,014
Closing Net Book Value of Tangible Capital Assets[3,4]	604,547	4,165,064	334,703	237,136	348,922	3,466,121	9,156,493	8,397,155

Does not include: works of art and historical treasures, such as the Legislative Building; items inherited by right of the Crown, such as Crown lands, forests, water and mineral resources, which are not recognized in these financial statements; and capital assets held by government business enterprises (*schedule 3*).

1 Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

2 Closing cost includes work-in-progress of $956.8 million (2015 - $754.4 million).

3 Closing net book value of tangible capital assets includes assets acquired under public private partnerships (P3s) of $459.9 million (2015 - $47.6 million) representing $329.6 million (2015 - $45.5 million) in buildings and improvements, $130.0 million (2015 - $2.1 million) in infrastructure and $0.3 million (2015 - nil) in machinery and equipment. P3 projects are under construction and therefore no amortization has been recorded on these assets.

4 Closing net book value of tangible capital assets includes leased tangible capital assets of $75.9 million (2015 - $65.7 million) representing $38.6 million (2015 - $44.4 million) in buildings and improvements, $19.3 million (2015 - $4.9 million) in office and information technology, $14.1 million (2015 - $12.3 million) in transportation equipment and $3.9 million (2015 - $4.0 million) in machinery and equipment. Amortization of $20.8 million (2015 - $17.4 million) has been recorded on these assets.

Revenue

Schedule 13

For the Year Ended March 31, 2016

(thousands of dollars)

	2016		2015
	Adjusted Budget[1]	Actual[2]	Actual
Taxation			
Individual income	2,625,400	2,537,349	2,546,577
Provincial sales	1,420,800	1,288,921	1,358,205
Corporation income	917,900	1,002,546	848,469
Property	664,000	657,749	624,733
Fuel	544,100	479,259	515,400
Tobacco	270,300	263,686	260,696
Other	365,600	375,794	357,578
Total Taxation	6,808,100	6,605,304	6,511,658
Non-Renewable Resources			
Oil	902,700	555,159	1,279,138
Potash	796,000	552,072	546,252
Resource surcharge	386,700	400,636	474,506
Crown land sales	112,600	44,016	164,894
Natural gas	11,300	9,582	18,780
Other	243,900	199,800	130,908
Total Non-Renewable Resources[3]	2,453,200	1,761,265	2,614,478
Other Own-Source Revenue			
Fees[4]	1,058,600	1,136,885	1,085,639
Insurance	241,600	242,480	256,400
Investment income	133,200	101,100	137,422
Transfers from other governments	68,200	97,796	90,879
Other[5]	400,100	424,764	423,829
Total Other Own-Source Revenue	1,901,700	2,003,025	1,994,169
Transfers from the Federal Government			
Canada Health Transfer	1,092,800	1,080,673	998,393
Canada Social Transfer	412,600	408,722	397,679
Other[6]	717,600	666,094	803,984
Total Transfers from the Federal Government	2,223,000	2,155,489	2,200,056
Net income from government business enterprises (*schedule 3*)	1,039,700	1,108,612	738,362
Total Revenue	14,425,700	13,633,695	14,058,723

[1] Budget figures have been adjusted to the same basis as the 2016 actual results (*note 10*).

[2] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

[3] Includes taxes of $502.0 million (2015 - $639.2 million).

[4] Includes $252.4 million (2015 - $245.7 million) for health care; $200.7 million (2015 - $190.4 million) for motor vehicle licensing; $151.5 million (2015 - $149.7 million) for education; $111.9 million (2015 - $112.4 million) for subsidized housing rental; and $108.6 million (2015 - $76.3 million) for real property sales and leases.

[5] Includes $59.6 million (2015 - $63.9 million) for donations and $50.1 million (2015 - $32.2 million) for reversals of prior year expenses.

[6] Includes $194.2 million (2015 - $207.9 million) for crop insurance; $118.8 million (2015 - $89.8 million) for infrastructure; $68.6 million (2015 - $66.1 million) for labour market initiatives; $57.0 million (2015 - $53.7 million) for housing; $52.6 million (2015 - $69.5 million) for agricultural income stability; and $29.9 million (2015 - $99.5 million) for disaster assistance.

Expense by Object

Schedule 14

For the Year Ended March 31, 2016

(thousands of dollars)

	2016[1]	2015
Salaries and benefits	7,154,845	6,021,055
Transfers[2]	4,399,005	4,403,259
Operating costs	2,495,754	2,501,432
Amortization of tangible capital assets (*schedule 12*)	542,100	514,561
Debt charges (*schedule 15*)	503,571	524,841
Other	57,928	31,699
Total Expense	15,153,203	13,996,847

[1] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

[2] Includes capital transfers of $144.2 million (2015 - $233.7 million).

Debt Charges

Schedule 15

For the Year Ended March 31, 2016

(thousands of dollars)

	2016[1]	2015
Interest costs		
Public debt[2]	275,698	266,510
Pension liabilities (note 5)	221,732	254,045
Other costs	6,141	4,286
Total Debt Charges	503,571	524,841

[1] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

[2] Interest on public debt is presented net of $326.7 million (2015 - $307.5 million) in interest reimbursed for debt borrowed by government organizations specifically on behalf of government business enterprises.

Segment Disclosure

For the Year Ended March 31, 2016

(thousands of dollars)

	Treasury Board Organizations[1]	
	2016	2015 (Restated)
Revenue		
Taxation	6,605,304	6,511,658
Non-renewable resources	1,761,265	2,614,478
Revenue from government organizations	303,289	212,265
Other own-source revenue	1,706,336	1,699,181
Transfers from the federal government	1,940,621	1,963,895
Net income from government business enterprises (*schedule 3*)	504,449	496,320
Total Revenue (*schedule 13*)	12,821,264	13,497,797
Expense		
Agriculture	385,326	386,449
Community development	523,143	565,543
Debt charges (*schedule 15*)	506,920	531,145
Economic development	225,484	250,429
Education	4,034,688	3,696,407
Environment and natural resources	302,734	226,530
Health	5,575,163	5,276,477
Protection of persons and property	707,324	710,541
Social services and assistance	1,255,970	1,175,780
Transportation	503,379	531,123
Other	801,699	324,466
Total Expense (*schedule 14*)	14,821,830	13,674,890
(Deficit) Surplus	(2,000,566)	(177,093)

The segments of the Summary financial statements are based on the accountability and control relationships between the Government and the various organizations within the government reporting entity. Schedule 18 identifies the organizations included in each segment.

[1] *Treasury Board organizations* include the General Revenue Fund and organizations such as Regional Health Authorities, Boards of Education and Liquor and Gaming Authority.

[2] *CIC Board organizations* are agencies that are responsible to the Crown Investment Corporation of Saskatchewan (CIC) and include organizations such as Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation and CIC Asset Management Inc.

[3] *Not-for-profit insurance organizations* are intended to be actuarially sound over the long term. These entities typically adjust rates to break even over the longer term and include Saskatchewan Auto Fund, Saskatchewan Crop Insurance Corporation, Crop Reinsurance Fund of Saskatchewan and Workers' Compensation Board (Saskatchewan).

[4] Represents adjustments to eliminate transactions between segments. Adjustments to eliminate transactions within a segment and adjustments to conform to the Government's accounting policies are represented in the numbers disclosed for each segment.

[5] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

Schedule 16

CIC Board Organizations[2]		Not-for-Profit Insurance Organizations[3]		Eliminations[4]		Total	
2016[5]	2015 (Restated)	2016[5]	2015	2016	2015 (Restated)	2016[5]	2015
-	-	-	-	-	-	6,605,304	6,511,658
-	-	-	-	-	-	1,761,265	2,614,478
11,354	11,107	199,512	213,663	(514,155)	(437,035)	-	-
78,478	67,300	218,211	227,688		-	2,003,025	1,994,169
-		214,868	236,161	-	-	2,155,489	2,200,056
375,146	167,989	229,017	74,053	-	-	1,108,612	738,362
464,978	246,396	861,608	751,565	(514,155)	(437,035)	13,633,695	14,058,723
-	-	420,119	469,654	(192,693)	(205,161)	612,752	650,942
-	-	-	-	-	-	523,143	565,543
5,300	4,088	-	-	(8,649)	(10,392)	503,571	524,841
53,108	49,215	-	-	(11,354)	(11,107)	267,238	288,537
-	-	-	-	-	-	4,034,688	3,696,407
5	(13,900)	-	-	-	-	302,739	212,630
-	-	-	-	-	-	5,575,163	5,276,477
-	-	-	-	-	-	707,324	710,541
-	-	-	-	-	-	1,255,970	1,175,780
35,164	30,162	-	-	-	-	538,543	561,285
34,633	13,773	-	-	(4,260)	(4,375)	832,072	333,864
128,210	83,338	420,119	469,654	(216,956)	(231,035)	15,153,203	13,996,847
336,768	163,058	441,489	281,911	(297,199)	(206,000)	(1,519,508)	61,876

Supplemental Cash Flow Information

Schedule 17

For the Year Ended March 31, 2016

(thousands of dollars)

	2016[1]	2015
Other Non-Cash Items Included in the (Deficit) Surplus		
Amortization of tangible capital assets (*schedule 12*)	542,100	514,561
Write-downs of tangible capital assets (*schedule 12*)	20,388	928
Net gain on disposal of tangible capital assets	(20,050)	(11,257)
Net increase (decrease) to provision for loss on loans receivable	1,515	(3,303)
Net loss (gain) on other investments[2]	22,767	(23,425)
Earnings retained in sinking funds (*schedule 8*)	(24,294)	(39,161)
Net foreign exchange (gain) loss	(1,613)	3,126
Total Other Non-Cash Items Included in the (Deficit) Surplus	540,813	441,469
Net Change in Non-Cash Operating Activities		
Decrease in accounts receivable	57,056	144,120
(Increase) decrease in other financial assets	(21,108)	4,566
(Decrease) increase in accounts payable and accrued liabilities	(124,730)	60,935
(Decrease) increase in unearned revenue	(39,509)	48,922
Increase (decrease) in pension liabilities	845,000	(7,473)
Decrease in other liabilities	(19,549)	(35,370)
Decrease (increase) in prepaid expenses	697	(3,238)
Increase in inventories held for consumption	(9,112)	(3,922)
Net Change in Non-Cash Operating Activities	688,745	208,540
Other Supplemental Information		
Cash interest paid during the year	284,931	288,296
Cash interest received during the year	48,459	56,695

[1] Includes 15 months of operations for certain government organizations (*notes 11 and 12*).

[2] Net loss (gain) on other investments consists of:

	2016	2015
Change in accounting policy (*note 13*)	20,160	-
Loss (income) from equities and pooled funds	9,116	(18,928)
Gain on sale of bonds and equities	(7,126)	(9,903)
Provision for loss	127	3,114
Amortization of bond premiums and discounts	490	2,292
Net loss (gain) on other investments	22,767	(23,425)

Government Reporting Entity

For the Year Ended March 31, 2016

Schedule 18

Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Compensation Fund
Boards of Education [5d]
- Chinook School Division No. 211
- Christ the Teacher Roman Catholic Separate School Division No. 212
- Conseil des écoles fransaskoises no. 310
- Creighton School Division No. 111
- Englefeld Protestant Separate School Division No. 132
- Good Spirit School Division No. 204
- Holy Family Roman Catholic Separate School Division No. 140
- Holy Trinity Roman Catholic Separate School Division No. 22
- Horizon School Division No. 205
- Ile-a-la Crosse School Division No. 112
- Light of Christ Roman Catholic Separate School Division No. 16
- Living Sky School Division No. 202
- Lloydminster Roman Catholic Separate School Division No. 89
- Lloydminster School Division No. 99
- North East School Division No. 200
- Northern Lights School Division No. 113
- Northwest School Division No. 203
- Prairie South School Division No. 210
- Prairie Spirit School Division No. 206
- Prairie Valley School Division No. 208
- Prince Albert Roman Catholic Separate School Division No. 6
- Regina Roman Catholic Separate School Division No. 81
- Regina School Division No. 4
- Saskatchewan Rivers School Division No. 119
- Saskatoon School Division No. 13
- South East Cornerstone School Division No. 209
- St. Paul's Roman Catholic Separate School Division No. 20
- Sun West School Division No. 207

Century Plaza Condominium Corporation [3a]
CIC Asset Management Inc. [4 6a]
CIC Economic Holdco Ltd. [4 6a]
Commercial Revolving Fund
Community Initiatives Fund
Correctional Facilities Industries Revolving Fund
Creative Saskatchewan
Criminal Property Forfeiture Fund
Crop Reinsurance Fund of Saskatchewan [6b]
Crown Investments Corporation of Saskatchewan (separate) [4 6a]
Education Scholarship Fund [3b]
eHealth Saskatchewan
Enterprise Saskatchewan
Extended Health Care Plan for Certain Other Employees [5e]
Extended Health Care Plan for Certain Other Retired Employees [5e]
Financial and Consumer Affairs Authority of Saskatchewan
First Nations and Métis Fund Inc. [4 6a]
Fish and Wildlife Development Fund
Forest Management Funds
- Crown Agricultural Land Forest Fund
- Edgewood Forest Renewal Trust Fund
- Island Forests Management Fund
- L&M Forest Renewal Trust Fund[1]
- Meadow Lake OSB Forest Management Trust Fund
- Mee-Toos Forest Management Fund Trust
- Mistik Forest Management Trust
- North West Communities Wood Products Forest Management Fund Trust
- Park Land Forests Management Fund
- Sakaw Forest Renewable Trust Fund
- Weyerhaeuser Forest Renewal Trust Fund
- Zelensky Bros. Forest Management Fund Trust

General Revenue Fund
Global Transportation Hub Authority
Government House Foundation
Gradworks Inc. [4 6a]
Growth and Financial Security Fund
Health Quality Council
Health Shared Services Saskatchewan
Horned Cattle Fund
Impacted Sites Fund[1]
Innovation Saskatchewan
Institutional Control Monitoring and Maintenance Fund
Institutional Control Unforeseen Events Fund
Law Reform Commission of Saskatchewan
Livestock Services Revolving Fund
North Sask Laundry and Support Services Ltd.[2]
Northern Municipal Trust Account [5e]
Oil and Gas Orphan Fund
Operator Certification Board
Pastures Revolving Fund
Physician Recruitment Agency of Saskatchewan
Prairie Agricultural Machinery Institute
Provincial Archives of Saskatchewan[3c]
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund [5e]
Public Employees Disability Income Fund [5e]
Public Employees Group Life Insurance Fund [5e]
Queen's Printer Revolving Fund
Regional Colleges [5b]
- Carlton Trail College
- Cumberland College
- Great Plains College
- North West College
- Northlands College
- Parkland College
- Southeast College

Government Reporting Entity *(continued)*

Schedule 18

Regional Health Authorities
- Cypress Regional Health Authority
- Five Hills Regional Health Authority
- Heartland Regional Health Authority
- Keewatin Yatthé Regional Health Authority
- Kelsey Trail Regional Health Authority
- Mamawetan Churchill River Regional Health Authority
- Prairie North Regional Health Authority
- Prince Albert Parkland Regional Health Authority
- Regina Qu'Appelle Regional Health Authority
- Saskatoon Regional Health Authority
- Sun Country Regional Health Authority
- Sunrise Regional Health Authority

Saskatchewan Agricultural Stabilization Fund
Saskatchewan Apprenticeship and Trade Certification Commission [5b]
Saskatchewan Arts Board
Saskatchewan Association of Health Organizations Inc.
Saskatchewan Cancer Agency
Saskatchewan Centre of the Arts Fund
Saskatchewan Crop Insurance Corporation [6b]
Saskatchewan Grain Car Corporation [5c]
Saskatchewan Health Research Foundation
Saskatchewan Heritage Foundation
Saskatchewan Housing Corporation [5e]
Saskatchewan Immigrant Investor Fund Inc. [4 5a]
Saskatchewan Impaired Driver Treatment Centre Board of Governors
Saskatchewan Legal Aid Commission
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation
Saskatchewan Opportunities Corporation [4 6a]
Saskatchewan Polytechnic [5b]
Saskatchewan Research Council
Saskatchewan Snowmobile Fund
Saskatchewan Student Aid Fund
Saskatchewan Transportation Company [4 6a]
SaskBuilds Corporation
Sask911 Account
School Division Tax Loss Compensation Fund
Tourism Saskatchewan
Training Completions Fund
Transportation Partnerships Fund
Victims' Fund
Water Appeal Board
Water Security Agency
Western Development Museum Fund

Government Business Enterprises (Modified Equity)

Liquor and Gaming Authority
Municipal Financing Corporation of Saskatchewan [5e]
Saskatchewan Auto Fund [4 6b]
Saskatchewan Gaming Corporation [4 6a]
Saskatchewan Government Insurance [4 6a]
Saskatchewan Power Corporation [4 6a]
Saskatchewan Telecommunications Holding Corporation [4 6a]
Saskatchewan Water Corporation [4 6a]
SaskEnergy Incorporated [4 6a]
Workers' Compensation Board (Saskatchewan) [5e 6b]

Government Partnerships (Proportionately Consolidated)

Battlefords First Nations Joint Board of Education [5d]
Foragen Technologies Limited Partnership [2]
Prairie Diagnostic Services Inc. [5a]
Saskatchewan Entrepreneurial Fund Joint Venture [4 6a]

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[1] Organization established during 2015-16.

[2] Organization wound up during 2015-16.

[3] Organization's name changed during 2015-16 from: [a] Condominium Corporation No. 101100609; [b] Prince of Wales Scholarship Fund; [c] Saskatchewan Archives Board.

[4] Organization's year-end changed from December 31 to March 31 during 2015-16.

[5] The year-ends of certain organizations differ from March 31, 2016: [a] April 2015; [b] June 2015; [c] July 2015; [d] August 2015; [e] December 2015.

[6] For segment disclosure (*schedule 16*) certain organizations are classified into categories other than Treasury Board Organizations as follows: [a] CIC Board Organizations; [b] Not-for-Profit Insurance Organizations.

Glossary of Terms

Accrual Accounting
The method used to prepare the Summary Financial Statements (SFS) included in Volume 1 of the Public Accounts. Accrual accounting recognizes financial transactions at the time they occur, regardless of whether any cash is received or paid.

Accumulated Surplus
One of the two measures of a government's financial position (see net debt). The accumulated surplus is the amount by which revenue has exceeded expense from the beginning of incorporation (1905) plus any adjustments that were charged directly to the accumulated surplus. It is calculated as the difference between assets and liabilities.

Capital Transfer
A grant provided to a third party such as a university or municipality to acquire or develop capital assets.

Consolidation
The method used to account for government service organizations in the SFS in which the accounts are adjusted to the basis of accounting described in note 1 of the SFS and then combined. Inter-organization balances and transactions are eliminated.

Debenture
A certificate of indebtedness where the issuer promises to pay interest and repay principal by a maturity date. It is usually unsecured, meaning there are no liens or pledges on any specific assets.

Debt
Terms used when describing debt include:

Government business enterprise specific debt is debt issued by government business enterprises (GBE) and debt issued by the General Revenue Fund (GRF) specifically on behalf of a GBE where the government expects to realize the receivable from the GBE and settle the external debt simultaneously.

Gross debt is borrowings through the issuance of debt instruments such as promissory notes and debentures.

Sinking funds are funds set aside for the repayment of debt.

Public debt is gross debt net of sinking funds.

General debt is public debt net of loans to Crown corporations for GBE specific debt.

Guaranteed debt is the debt of others that the Government has agreed to repay if others default.

Total debt is public debt plus guaranteed debt.

Derivative
A contract in which the value is based on the performance of an underlying financial asset, index or other investment. It does not require an initial investment and is settled at a future date.

Financial Asset
An asset that can be used to discharge existing liabilities or finance future operations and is not for consumption in the normal course of operations.

Financial Instrument
Any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial Liability
Any liability that is a contractual obligation to deliver a financial asset to another party, or to exchange financial instruments with another party under conditions that are potentially unfavourable to the entity.

Government Reporting Entity
The government reporting entity consists of government service organizations, GBEs and government partnerships. Trusts administered by the Government are excluded from the government reporting entity.

General Revenue Fund (GRF)
The fund into which all revenues are paid, unless otherwise provided for by legislation, and from which all expenditures are appropriated by the Legislative Assembly.

Government Business Enterprise (GBE)
A self-sufficient government organization that has the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as its principal activity. GBEs are recorded in the SFS using the modified equity method.

Government Partnership
An investment by the Government where there is a contractual arrangement between the Government and one or more partners outside the government reporting entity and where the partners share, on an equitable basis, the risks and benefits of the partnership. Government partnerships are proportionately consolidated in the SFS.

Government Service Organization (GSO)
An organization that is controlled by the Government, except those designated as GBE and government partnerships. GSOs are consolidated in the SFS after adjustment to a basis consistent with the accounting policies described in note 1 of the SFS.

Gross Domestic Product (GDP)
The standard measure of the overall size of the economy, the value of all goods and services produced during a period.

Hedge
A strategy to minimize the risk of loss on an asset (or liability) from market fluctuations such as interest rate or foreign exchange rate changes. This is accomplished by entering into offsetting commitments with the expectation that a future change in the value of the hedging instrument will offset the change in the value of the asset (or liability).

Modified Equity
The method by which GBEs are accounted for in the SFS. The Government's investment, which is originally recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise/partnership without adjustment to conform with the accounting policies described in note 1 of the SFS. Inter-organizational balances and transactions are disclosed but not eliminated.

Net Debt
One of the two measures of a government's financial position (see accumulated surplus). Net debt is calculated as the difference between financial assets and liabilities.

Non-financial Asset
An asset that is acquired, constructed or developed and does not normally provide resources to discharge existing liabilities.

Other Comprehensive Income/Loss (OCI)
OCI includes certain unrealized gains and losses of GBEs that are excluded from net income but recognized as a change in net debt and accumulated surplus during the period.

Pension Liability
An actuarial estimate of discounted future payments to be made to retirees under government pension plans, net of plan assets.

Premium/Discount
The amount by which the selling price of a security is greater or less than its par or face value.

Present Value
The current value of one or more future cash payments, determined by discounting the future cash payments using interest rates.

Public Private Partnership (P3)
A partnership arrangement in the form of a long-term performance-based agreement between the public sector and the private sector to deliver public infrastructure for citizens.

Remediation
The improvement of a contaminated site to prevent, minimize or mitigate damage to human health or the environment.

Segment
A distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to help users of the SFS identify the resources allocated to support the major activities of a government.

Summary Financial Statements (SFS)
The statements prepared to account for the full nature and extent of the financial activities of organizations in the government reporting entity.

Tangible Capital Asset
An asset with physical substance held by the Government that has an economic life extending beyond a year, is to be used on a continuing basis and is not for sale in the ordinary course of operations.

Transfer
A transfer of money from a government to an individual, an organization or another government for which the government making the transfer does not: receive any goods or services directly in return, as would occur in a purchase/sale transaction; expect to be repaid in the future, as would be expected in a loan; or expect a financial return, as would be expected in an investment. Major types of transfers include entitlements, transfers under shared cost agreements and grants.